

Chevron UK Pension Plan

Annual Report for the year ended 31 December 2024

Plan Registration Number 10015146

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The Trustee's Report

Introduction

This report relates to the management, operations and investments of the Chevron UK Pension Plan ("the Plan") during the year ended 31 December 2024.

For members who joined the Plan prior to 1 January 2012, the Plan provides a defined benefit (DB) pension, which is now closed to new entrants.

For those who joined the Plan from 1 January 2012, the Plan is a hybrid arrangement (called the New Section). In the New Section, members accrue a DB pension on salary up to a maximum level. The Employer contributes a proportion of salary in excess of this level (and of pay as a qualifying allowance) which will then be used to fund investment to provide a defined contribution (DC) retirement pension.

The Plan is an occupational pension plan, which provides benefits for the employees of Chevron Energy Limited (the Employer) as described above. All permanent employees of Chevron Energy Limited are eligible for membership of the New Section on the first of the month following their employment.

For the DB Section of the Plan, the Employer contributes such amounts as are determined necessary by the Trustee, based on actuarial advice, to provide the Plan with assets to meet the benefits to be paid to the members as they fall due.

For the DC Section of the Plan, the Employer makes age-related contributions in respect of salary over a certain level and on qualifying allowances. These contributions are invested through Fidelity's platform of funds, which are offered as investment options to members.

Certain benefits of the Plan are covered by paid-up annuity insurance policies with Friends Life, Canada Life, Prudential, Aviva, Standard Life and Phoenix Life. Annuity income received by the Plan under these policies is included in note 9 of the financial statements.

Some employees make Additional Voluntary Contributions to supplement their entitlement under the Plan. Such contributions are invested with Fidelity, who offer a range of underlying passive BlackRock funds.

Management of the Plan

The Plan has a corporate Trustee, Chevron UK Pension Trustee Limited ("the Trustee"), appointed by the Employer. The names of the Trustee directors of the Plan who served during the year and those serving at the date of approval of this report are as follows:

Name	Nominated/appointed by
Mr S J Owens (Chair)	Employer
Ms BA Claar	Employer
Ms N Ali	Employer
Mr M Wright	Employer
Ms H Wu	Employer
Mr E Chesser	Employer
Mr J G Cameron	Members
Mr W A Dennison	Members
Mr S W Wright	Members

The Directors of the Plan's Trustee, Chevron UK Pension Trustee Limited, are responsible for the administration and investment policy of the Plan. The Trustee Directors meet regularly to assess the overall investment policy and performance, and to discuss administration reports received from the Pensions Manager.

The Trustee's Report (Cont)

Management of the Plan (Cont)

The articles of association of Chevron UK Pension Trustee Limited contain provisions for the appointment and removal of the Trustee Directors by the Employer. The number of Trustee Directors will be no more than nine and no less than one, subject to any Member Nominated Trustee Directors procedures in force from time to time. There are currently three Member Nominated Trustee Directors. The Employer may, by ordinary resolution, increase or decrease the number of Trustee Directors. The Trustee held four full meetings during the year under review. The Trustee has delegated the day-to-day management and operation of the Plan's affairs to professional organisations.

The Sponsoring Employer

The name and address of the Sponsoring Employer is as follows:

Chevron Energy Limited, 1 Westferry Circus, Canary Wharf, London, E14 4HA.

Financial development of the Plan

During the year, the value of the net assets decreased by £176,681,000 to £1,974,937,000 as at 31 December 2024. The decrease comprised net withdrawals from dealings with members of £84,295,000 together with a net decrease from the return on investments of £92,386,000.

Plan Audit

The financial statements on pages 21 to 40 have been prepared and audited in accordance with regulations made under sections 41(1) and (6) of the Pensions Act 1995.

Tax status of Plan

The Plan is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and, to the Trustee's knowledge, there is no reason why the Plan's registered status should be prejudiced or withdrawn.

GMP equalisation

In October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded that schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pensions. The issues determined by the judgement arise in relation to many other defined benefit pension schemes.

The Trustee has undertaken detailed work to address this issue with all pensions now being paid from the Plan reflecting adjustments for Guaranteed Minimum Pension (GMP) equalisation and, where relevant, members notified of any back-payments due. The payment of these back-payments was recognised in the 2023 financial statements.

In November 2020, the High Court handed down a further judgment on the GMP equalisation case in relation to the Lloyds Banking Group pension schemes. This follows from the original judgment in October 2018. This latest judgment confirms that defined benefit schemes which provide GMPs need to revisit and where necessary top up historical Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee has considered this and has a plan to contact affected former members during 2025 to ascertain how payments should be made. Further details are disclosed in note 24 of the financial statements. The process for calculating ongoing Cash Equivalent Transfer Values was updated to reflect GMP equalisation in Q4 2023.

The Trustee's Report (Cont)

Ruling on amendment of Contracted-Out Salary-Related pension schemes

In June 2023, the High Court handed down a decision in the Virgin Media Ltd versus NTL Pension Trustees II Ltd case, which considered the implications of section 37 of the Pension Schemes Act 1993, which required that the rules of a salary-related contracted-out pension scheme cannot be altered, in relation to post April 1997 service, unless the actuary confirmed that the scheme would continue to satisfy the statutory standards. The High Court found that, where the required actuarial confirmation was not supplied, the effect of section 37 was to render the relevant amendment to any contracted-out right automatically void. It also held that references in the legislation included both past and future service rights and that the requirement for actuarial confirmation applied to all amendments to the rules of a contracted-out scheme. This decision was appealed to the Court of Appeal and, in July 2024, the Court of Appeal upheld the decision of the High Court. The Trustee is monitoring the position and will consider the possible implications, if any, for the Plan of the above with its advisers and what steps, if any, it wishes to take. It is not practicable, at present, to estimate the financial effect on the Plan, if any, of the uncertainties in relation to the amount or timing of any outflow of resources, or the possibility of reimbursement of resources. In June 2025, the Government announced that they will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. The Government will provide further details on this in due course.

Risk

Any pension scheme is exposed to various risks. These principally relate to provision of defined benefit pensions, for example; the security provided by the Plan's sponsor, performance of Plan assets, maladministration and how long our pensioners will live, although there are also risks around the security of assets and administration for benefits provided on a defined contribution basis. The Planning & Risk Committee maintains a risk register and reports on developments, for example changes in the nature of the risks faced and the policies and procedures in place to mitigate the potential effect of these risks, to each meeting of the Trustee Board. The Trustee Directors consider the key risks as:

- The risk of deterioration in the ability of the Plan's sponsor (Chevron Energy Limited) to provide continuing financial support to the Plan. This risk is assessed through at least annual monitoring of the sponsor's financial position, using an Employer Covenant monitoring process adopted by the Trustee Board.
- The risk of deterioration in the Plan's funding level. This risk is addressed through an investment and contribution strategy, which is specific to the Plan's liabilities and funding level. In conjunction with the Plan's Actuary, developments in the Plan's financial position are regularly monitored.
- The risk that the investment returns from the assets (including returns on amounts paid into the Plan in future, both from future contributions and reinvestment of investment returns) will be below the relative benchmarks adopted by the Trustee Board. This risk of underperformance is assessed by close monitoring of the investment performance and the taking of corrective actions when required.
- The risk that price inflation could be higher than assumed, or members could live longer than assumed, or members could exercise options which result in higher liabilities. These risks are managed by investing in assets expected to be correlated with inflation over the longer term, choosing prudent mortality assumptions which reflect Plan experience and wider mortality trends, and regularly reviewing the terms on which options can be exercised.

The above risks are also addressed via the requirement that the assumptions used in assessing the funding position contain margins for prudence and reflect the assumed covenant provided by the Plan's sponsor.

Risks surrounding the security and safe custody of the Plan's assets. This is addressed by ring fencing the assets at the Custodian, and by reviewing the Custodian's internal controls. The risk of the Plan being incorrectly operated or operated outside of regulatory parameters. This risk is mitigated by appointing experienced Trustee Directors, providing them with continued training and the use of an experienced Executive Team and third party advisers.

The Trustee's Report (Cont)

The risk of maladministration as a result of inaccurate data or ineffective controls. This risk is mitigated by undertaking an annual review of member data held and the internal controls of Barnett Waddingham LLP including annual independent recalculation of a sample of benefit payments.

The risk of conflicts of interest (Col) for Trustee Directors, the Executive Team or Trustee Advisers. The risk is controlled by Col declarations and a Col process (dependent on materiality, varying from declaration of interest through non participation to resignation).

Risks associated with an inefficient or ineffective retirement process. These risks are managed by providing retiring members with information via written and electronic media prior to retirement (including an illustrative timetable for benefit settlements and DC investment options).

Changing patterns of temperature or disease could adversely affect the funding of the Plan. The Trustee recognises that climate-related issues could represent a risk to future economic stability in the long-term, with potentially wide-ranging effects on environmental, societal and governance matters. From the perspective of the funding of the Plan the key ways these risks could manifest are through unmatched falls in asset values, Plan membership living longer than assumed or a reduction in the strength of the Company's covenant. Each of these particular risks are separately addressed above.

More details can be found on the Plan's approach to managing climate risk at <https://chevron.pensioncharges.com/store> in the annual Plan Climate Change Report which was issued in response to regulations that require pension scheme trustees to produce disclosures that are based on the recommendations of the Financial Stability Board's Task Force on Climate-Related Financial Disclosures ("TCFD").

Plan advisers

The Trustee retains a number of professional advisers in connection with the operation of the Plan. The advisers currently appointed are as follows:

Plan Actuary	C Smith FIA, Towers Watson Limited
Advising Actuaries	Towers Watson Limited
Administration Service provider	Barnett Waddingham LLP
Independent Auditors	PricewaterhouseCoopers LLP
Investment Manager (DC Section)	Fidelity International Limited ("Fidelity")
Investment Managers (DB Section)	BlackRock Investment Management (UK) Limited ("Blackrock") Standard Life Investments Limited ("Standard Life") Northern Trust ACWI IMI ("Northern Trust") Hermes Investment Management Limited ("Hermes") CBRE Global Investors ("CBRE") Prologis Management Services S.a.r.l. ("Prologis") Legal & General Investment Management ("L&G")
Investment Custodian	Northern Trust Company Limited
Investment Advisers	Benefit Plan Investments Limited Towers Watson Limited
AVC Managers	Fidelity International Limited
Legal Advisers	Sacker & Partners LLP
Covenant Adviser	Interpath Limited
Bankers	Bank of Scotland PLC
Secretary to the Trustee	Romella Manning-Brown

The Trustee's Report (Cont)

Plan membership

	Number as at start of year	Changes in year	Number as at end of year
Active members	501		
joiners		41	
left (refunds)		(1)	
left (preserved pensioners)		(33)	
retired		(12)	
		(5)	496
Preserved pensioners	2,843		
new		33	
transferred out		(3)	
retired		(142)	
trivial commutation		(4)	
died		(7)	
		(123)	2,720
Pensioners and dependants	4,608		
new pensioners		154	
new dependants		68	
died		(191)	
commuted		(2)	
cessation		(4)	
		25	4,633
Total members	7,952		7,849

The member numbers shown above reflect the number of member records held by the Plan. New members joining are stated net of auto-enrolment opt-outs where contributions were never remitted to the Plan, although there were no opt-outs in the year.

Pensioners and dependants include 921 pensions paid to spouses (2023: 922) and 41 pensions paid to children or other dependants (2023: 41). Also, included within the pensioners and dependants are 51 (2023: 107) members where part of their pension is secured by way of an annuity insurance contract held in the name of the Trustee. At 31 December 2024, there were 132 Active (2023: 124) and 201 deferred (2023: 192) members with benefits in the DC Section.

Pension increases

Under the Plan Rules, members' pensions are generally increased in accordance with statutory requirements and any pension increases above these statutory amounts are at the discretion of the Employer. In addressing GMP equalisation for the Plan, GMPs were converted into new Plan benefits, with the new element corresponding to GMP built up after 5 April 1988, known as 'Converted Post 1988 GMP', having pension increases provided for under the Rules.

During the year, pensions were increased in line with the Rules of the Plan. The pension increases applied to pensions in payment as at 1 April 2024 were as follows:

- Pensions accrued after 6 April 1997 but before 6 April 2005: 5% per annum (this being the lower of 5% or the increase in the Consumer Price Index (CPI))
- Pensions accrued after 2005: 2.5% per annum (this being the lower of 2.5% or the increase in CPI)
- Converted Post 1988 GMP: 3% per annum (this being in line with CPI capped at 3%).

A discretionary increase, 5% of pre-97 pensions in excess of converted GMP (pro-rate for those retired after the last such award in October 2022), was applied on 1 February 2024. No discretionary increases were awarded in the prior year.

The Trustee's Report (Cont)

Transfer values

All cash equivalents (transfer values) paid during the year were calculated and verified in the manner required by the Pensions Act 1993 and subsequent amendments. No discretionary benefits are included in the calculation of transfer values.

A cash equivalent is the amount which a Plan member is entitled under social security legislation to have applied as a transfer payment to another permitted pension arrangement or a buy-out policy.

Data Protection Act 2018 and General Data Protection Regulation

Under the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 regulations, pension scheme trustees are classed as data controllers, with legal responsibility for compliance falling to them. Plan Actuaries are also classed as data controllers (jointly with the trustees) in accordance with guidance issued by the Actuarial Profession. Barnett Waddingham LLP act as a data processor as the administrators of the Plan.

The Trustee has worked with its advisers to receive relevant training and continues to do so to ensure continued compliance with data protection legislation.

Codes of Practice

The Trustee is aware of and adheres to the Codes of Practice issued by The Pensions Regulator ("TPR"). The objectives of these codes are to protect members' benefits, reduce the risk of calls on the Pension Protection Fund ("PPF"), promote good administration and make sure employers balance the needs of their defined benefit pension scheme with growing their business.

Following the publication of the Pension Regulator's new General Code of Practice in January 2024, the Trustee has considered the impact of this on the Plan's governance arrangements to ensure there is an appropriate effective system of governance.

The Pensions Regulator: Record Keeping

TPR issues guidance on all aspects of pension scheme data record keeping to all those responsible for the data (the trustees) and those who administer pension schemes. The guidance covers both common data and scheme-specific (conditional) data. The guidance sets out good practice in helping trustees to assess risks associated with record keeping. Improved data means that trustees and employers will be able to make a more precise assessment of their financial liabilities. Schemes are expected to keep their data under regular review and set targets for the improvement in the standard of data recorded. More information can be found at:

<https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/record-keeping>

Contact for further information

If, as a Plan member, you wish to obtain further information about the Plan, including copies of the Plan documentation, your own pension position, or who to contact in the event of a problem or complaint, please write to or telephone the Plan administrators:

Barnett Waddingham LLP, St James House, St James Square, Cheltenham GL50 3PR

Tel: 0333 11 11 222.

Alternatively, you may contact the Plan administrators online at www.chevronukpension.co.uk.

The Trustee's Report (Cont)

Statement of Trustee's Responsibilities

The Trustee's responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the plan during the plan year and of the amount and disposition at the end of the plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the plan year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the plan will continue as a going concern.

The Trustee is also responsible for making available certain other information about the plan in the form of an annual report.

The Trustee has a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the plan and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is also responsible for the maintenance and integrity of the plan's website www.chevronukpension.co.uk. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustee's responsibilities in respect of contributions

The Trustee is responsible under pensions legislation for preparing, and from time to time reviewing and if necessary, revising, a schedule of contributions showing the rates of contributions payable to the plan by or on behalf of employers and the active members of the plan and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the plan and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the plan in accordance with the schedule of contributions.

Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

The Trustee's Report (Cont)

Report on Actuarial Liabilities

As required by Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ('FRS 102'), the financial statements do not include liabilities in respect of promised retirement benefits.

Under Section 222 of the Pensions Act 2004, the Plan is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its Technical Provisions. The Technical Provisions represent the present value of the benefits members are entitled to at the valuation date. This is assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles, which is available to Plan members on request.

The most recent full actuarial valuation of the Plan was carried out as at 31 December 2022. The results of this valuation (and those of the comparative valuation as at 31 December 2019) were as follows:

	31 December 2022 000	31 December 2019 000
The value of the Technical Provisions was:	£1,797,000	£2,721,000
The value of the assets was:	£2,167,000	£2,791,000
Assets as a percentage of Technical Provisions	121%	103%

Although there are no plans to discontinue the Plan and buy-out liabilities with an insurance company, the Trustee also considers the level of funding relative to the estimated costs of such a buy-out (known as "solvency liabilities") and equivalent information on this basis is provided below:

	31 December 2022 000	31 December 2019 000
The value of solvency liabilities:	£2,003,000	£3,230,000
The value of the assets was:	£2,167,000	£2,791,000
Assets as a percentage of solvency liabilities	108%	86%

The method and significant actuarial assumptions used as at 31 December 2022 to determine the technical provisions are as follows:

Method

The actuarial method used in the calculation of the Technical Provisions is the Projected Unit Method.

The Trustee's Report (Cont)

Report on Actuarial Liabilities (Cont)

Significant Actuarial Assumptions

Financial assumptions	31 December 2022 % pa	31 December 2019 % pa
Discount rate ¹	4.8%	1.9%
RPI inflation ²	3.5%	3.2%
CPI inflation ³	3.1%	2.5%
Pensionable earnings increases ⁴	4.1%	3.5%
Deferred pension revaluation		
Pension increases in payment ⁵		
- LPI (0, 3) pension increases	2.8%	2.5%
- LPI (0, 5) pension increases	3.2%	2.5%
- LPI (0, 2.5) pension increases	2.5%	2.2%

¹ Rate shown for 2022 is the single equivalent discount rate to using the WTW nominal gilt yield curve with a margin of 0.9% pa; rate shown for 2019 is the single equivalent discount rate to using the WTW nominal gilt yield curve with a margin of 1.2% pa and an allowance for an immediate reduction in assets, to reflect post-valuation date events, of 10% (overall equivalent to assuming a margin over gilts of 0.7% pa from the valuation date)

² WTW break-even inflation curve

³ RPI inflation less 1.0% pa to 2030 and less 0.1% pa (0.5% pa for 2019 assumption) thereafter

⁴ In addition, there is an allowance for promotional salary increases

⁵ LPI(x, y) refers to annual increases in line with CPI subject to a maximum of y% and minimum of x%

The key changes in financial assumptions are the increase in the discount rate, which reflects a rise in long-term interest rates offset to some extent by the effect of de-risking the long-term investment strategy, an increase in the assumed rate of RPI inflation and the allowance, from 2030, for RPI to be aligned with CPIH.

Demographic assumptions	31 December 2022	31 December 2019
Mortality base tables*		
- Male pensioners	92% SAPS S3 All Male Pensioners Amounts	92.2% SAPS S3 All Male Pensioners Amounts
- Female pensioners	97% SAPS S3 All Female Pensioners (Light) Amounts	100.2% SAPS S3 All Female Pensioners (Light) Amounts
Future improvements in mortality rates (from the relevant valuation date)	In line with CMI 2022 Core Projection model with a long term trend of 1.5% pa and an initial addition parameter of 0.5%	In line with CMI 2019 Core Projection model with a long term trend of 1.5% pa and an initial addition parameter of 0.5%
Proportion of pension exchanged for a lump sum at retirement (on terms assumed to be 10% lower than the cost of providing a pension under the assumptions underlying the technical provisions basis)	18%	15%

* The mortality base tables are adjusted from 2013 (the effective date of the S3 tables) to the relevant valuation date in line with the CMI 2019 Core Projection model with an initial addition parameter of 0.5% per annum and a long term trend of 1.5% pa.

In accordance with the Schedule of Contributions certified on 6 June 2024 the Employer's contributions in respect of the DC element are to be met from the Plan assets and the Plan will meet all Plan expenses incurred on and from 1 July 2024.

Next Actuarial Valuation

The next triennial valuation is due as at 31 December 2025.

The Trustee's Report (Cont)

Investment managers

The day-to-day management of the investments of the Plan has been delegated by the Trustee to the Investment Managers. The Investment Managers are remunerated on a fee basis and are paid quarterly, with no performance fees being applicable. The Investment Committee of the Trustee Board implements the Trustee's overall investment policy in such a way as to achieve the Plan's investment objectives. It has regular meetings with the Investment Managers.

The Investment Managers appointed on behalf of the Trustee to manage funds under section 34(4) of the Pensions Act 1995 are appropriately authorised under The Financial Services and Markets Act 2000 to manage investments or are specifically exempted from the requirements of the Act. The investment managers appointed have the appropriate knowledge and experience necessary to manage the particular investments delegated to them.

The Trustee periodically obtains details of the managers' audited corporate governance policies and controls reports and requires them to report on any contentious issues as part of the managers' quarterly reporting.

Investment principles

The Trustee has produced a Statement of Investment Principles (SIP) as required by section 35 of the Pensions Act 1995.

A copy of the statement is available online at <https://chevron.pensioncharges.com/store>.

There were no significant departures from the stated principles during the year under review. Small deviations from the benchmark allocation are to be expected as a result of fluctuations in asset prices.

The Trustee's Implementation Statements (DB) and (DC) are set out on pages 49 to 73 and form an integral part of this Trustee's Report.

Relationship with and Monitoring the Investment Managers

The Plan uses several different managers and mandates to implement its investment policies. The Trustee ensures that, in aggregate, its portfolio is consistent with the policies set out in the SIP.

Should the Trustee's monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment. This monitoring process includes specific consideration of the sustainable investment and Environmental, Social and Governance (ESG) characteristics of the portfolio and managers' engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager may be terminated and replaced.

For most of the Plan's investments, the Trustee expects the investment managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance over these periods. Performance of the investment managers is measured independently by the global custodian and reviewed monthly.

The Trustee receives reports (at least quarterly) from the investment managers and meets the active investment managers at least once a year to review the investment managers' actions together with explanations for investment performance.

A formal Watch-Monitor process is also used by the Trustee to gauge investment manager performance. The process deploys a combination of quantitative and qualitative factors in evaluating the managers. The factors leverage WTW's research process in assessing each manager against various criteria and the resulting manager ratings. The Watch-Monitor list is reviewed on a quarterly basis.

The Trustee's Report (Cont)

When assessing a manager's performance, the focus is generally on longer-term outcomes, and the Trustee would not expect to terminate a manager's appointment based purely on short term performance. However, a manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.

Investment managers are paid a fee expressed as a percentage of assets managed, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement. The Trustee reviews the costs incurred in managing the Plan's assets annually, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual manager level, the Trustee will have regard to the actual portfolio turnover and how this compares with the expected turnover range for that mandate, to the extent that the data is readily available.

Environmental, Social and Governance factors

The Trustee seeks to take account of all relevant financially material risks and opportunities in consultation with its advisers. Such risks and opportunities are considered for materiality and impact within the Plan's Risk Register. The Trustee considers sustainable investment factors, such as (but not limited to) those arising from ESG considerations in the context of this broader risk framework.

The Trustee's policy is that day-to-day decisions relating to the investment of Plan assets are left to the discretion of its investment managers. This includes consideration of all financially material factors, including ESG-related issues where relevant. The Trustee explores these issues with its managers to understand how they exercise these duties in practice and receives reports on how these issues are addressed. The Trustee recognises that for funds which passively track an index the manager cannot take account of these factors in the selection of investments (though there may be instances where the index itself may reflect ESG factors).

When considering the appointment of new managers, and reviewing existing managers, the Trustee, together with its investment advisers, looks to take account of the approach taken by managers with respect to sustainable investing including voting policies and engagement where relevant.

The Trustee's policy is to delegate responsibility for the exercising of ownership rights (including voting rights) attaching to investments to the investment managers. The Trustee recognises the UK Stewardship Code as best practice and encourages their investment managers to comply with the UK Stewardship Code or explain where they do not adhere to this policy.

Non-financial factors

At present, the Trustee does not explicitly take account of non-financial matters (including member views) in Plan design or strategy but may consider reflecting specific non-financial considerations in future.

The Trustee's Report (Cont)

Defined Benefit Section

The Trustee determines the Plan's broad investment policy. The Plan's current investment strategy and guidelines are as follows:

- 40% UK Fixed Interest Corporate Bonds (allowable range 35 to 45%)
- 10% Global Equities (allowable range 5 to 15%)
- 38% UK Fixed Interest and Index Linked Gilts – Bonds (allowable range 28 to 48%)
- 10% UK and European Property (allowable range 5 to 15%)
- 2% Cash (allowable range 0 to 7%)

The year-end DB asset allocation consisting of both pooled and segregated holdings was as follows:

Asset Class	Manager	£000	%
Equities – Global	Northern Trust ACWI IMI	219,200	11.2
Bonds - European Corporate Bonds	Eurobonds	11	-
Bonds - UK Corporate Bonds	L&G	185,916	
	Standard Life	182,410	
	BlackRock	429,744	
		798,070	40.8
Bonds - UK Fixed Interest Gilts	BlackRock	294,588	15.1
Bonds - UK Index Linked Gilts	L&G	232,998	
	BlackRock	134,906	
		367,904	18.8
Property - UK & European	Hermes	69,574	
	CBRE	103,944	
		173,518	8.9
Cash & Liquidity	Northern Trust	47,785	
	L&G	4,875	
	Standard Life	2,999	
		55,659	2.8
Other Investments:			
AVCs & MPB (Money Purchase Benefits)		38,286	
Income receivable		9,324	
Derivative contracts - net		(236)	
Amounts due from brokers		1	
		47,375	2.4
Total DB Section Investment Assets & Liabilities		1,956,325	100.0

The Trustee's Report (Cont)

Investment Objectives and Performance

Defined Benefit Section – objectives & performance

The objective set for the DB Section of the Plan is to meet the cost of the Plan's benefit obligations as they arise. The Plan invests existing assets and future contributions with the objective to provide a rate of return that complements the agreed funding policy for future benefit obligations and to limit the risk of the Plan having a shortfall. The ultimate power and responsibility for deciding investment policy lies with the Trustee.

The Trustee's strategic objectives for investments are to achieve at or above benchmark rate of total return of the Plan's assets within prudent levels of risk/liquidity and provide adequate liquidity for benefit payments and portfolio management.

The customised benchmark consists of:

- 10% MSCI ACWI IMI (net of taxes) Index,
- 78% Total UK Fixed Income Benchmark (consisting of 51.28% Iboxx £ Non-Gilt 10 Year + Index, 17.95% FTSE UK Gilts Index Linked > 15Yrs Index, 20.51% FTSE UK Gilts > 15Yrs, and 10.26% FTSE UK Gilts IL > 25yrs)
- 10% Total Property Benchmark (35% MSCI UK All Property Index and 65% MSCI European All Property)
- 2% 3 Month UK Libor

A summary of the Plan's DB Section* performance over the last five calendar years is given below. The table shows the total returns achieved by the Plan compared to its customised benchmark.

Calendar Year	Actual Return %	Customised Benchmark %
2024	-5.1	-6.0
2023	2.4	3.4
2022	-26.8	-27.8
2021	3.5	2.8
2020	12.3	12.1
Annualised 5 year return	-3.7	-4.2

**Overall performance for the Plan has not been disclosed. Instead, the DB Section overall returns have been included above with the DC Section returns disclosed by individual funds on page 14.*

The Trustee believes this disclosure is more useful in relation to the DC Section and that the DC Section performance is not material in respect of the overall Plan.

Defined Contribution Section – objectives & performance

The objective set for the DC Section of the Plan is to seek to provide members with a range of investment funds to invest in secure assets of appropriate liquidity which are designed to generate income and capital growth. The Trustee's policy is to seek to achieve the above objectives by providing a range of funds with various characteristics, including:

- A range of equity funds diversified geographically and in various investment strategies.
- A range of sterling denominated fixed interest bond funds with differing characteristics and durations.
- The funds to be passively managed.
- The fund benchmarks to be transparent and commercially reported by a major index provider.
- The funds to be provided by a reputable manager and only to be invested in regulated public markets.

The Trustee's Report (Cont)

Members of the DC Section receive annual benefit statements which include the rate of return on their DC funds. DC Section fund performance can also be viewed using Fidelity's website "Planviewer", which all DC Section members are given access to.

The following table shows the DC Section's principal funds available to members and their performance over the 1, 3 and 5 years to 31 December 2024:

DC Section Funds	1 Year %		3 Years (% p.a.)		5 Years (% p.a.)	
	Fund	B'mark	Fund	B'mark	Fund	B'mark
FutureWise Target 2025 - Class 9*	9.9	n/a	n/a	n/a	n/a	n/a
FutureWise Target 2030 - Class 9*	15.2	n/a	n/a	n/a	n/a	n/a
FutureWise Target 2035- Class 9*	19.2	n/a	n/a	n/a	n/a	n/a
FutureWise Target 2040- Class 9*	19.3	n/a	n/a	n/a	n/a	n/a
FutureWise Target 2045 - Class 9*	19.3	n/a	n/a	n/a	n/a	n/a
FutureWise Target 2050 - Class 9*	19.3	n/a	n/a	n/a	n/a	n/a
FutureWise Target 2055 - Class 9*	19.3	n/a	n/a	n/a	n/a	n/a
FutureWise Target 2060 - Class 9*	19.3	n/a	n/a	n/a	n/a	n/a
Chevron Equity Fund	18.5	18.9	6.9	7.3	9.2	9.5
Fidelity BlackRock Consensus Fund	8.9	8.9	3.7	3.9	5.6	5.7
Fidelity BlackRock Corporate Bond Index Fund All Stocks - Class 1	1.6	1.6	-3.3	-3.1	-1.2	-1.0
Fidelity iShares Over 5 Years Index Linked Gilt Fund - Class 5	-11.1	-10.3	-18.7	-18.3	-10.7	-10.4
Fid HSBC UCITS Common Cont Islamic Global Equity Fd CI9	30.0	29.4	11.6	11.6	16.9	17.1
Fidelity BlackRock Emerging Markets Fund	11.4	10.1	0.4	0.9	2.2	2.6
Fidelity BlackRock World (ex-UK) Equity Index Fund - Class 1	20.6	21.2	8.7	9.0	12.6	12.8
Fidelity BlackRock UK Equity Fund Class 2	8.5	8.5	4.8	4.9	4.0	4.2
Fidelity BlackRock Cash Fund - Class 5	5.2	5.1	3.7	3.7	2.2	2.2

**No benchmarks available for the FutureWise funds or performance for 3 or 5 years as these funds only made available in the current year.*

During the year ended 31 December 2023, the Trustee completed a review, in conjunction with its investment advisers, of the Plan's DC investment default arrangements, other lifestyle options and self-select fund range. The review was carried out in two stages, firstly considering the demographics of the membership to establish the risk tolerance, objectives and aims of the membership. The Trustee also considered the relevant findings of the membership survey relevant to sustainable investing. Secondly, to consider the expected risk and potential return of different investment strategies for members.

The outcome of the review was that the Trustee decided to make certain changes for members, which were implemented in April 2024. Further details can be found in the 'Annual statement regarding governance of DC benefits' on pages 74 to 114, which forms an integral part of this Trustee's Report.

The Trustee's Report (Cont)

Custodian arrangements

Northern Trust acted as Custodian for all investments other than Pooled Investment Vehicles, AVCs and the DC Section, where the custody of those assets was the responsibility of the individual managers. The remaining investments were held on a segregated basis either with Northern Trust or its designated sub custodian. The Trustee receives reports each month covering the assets held by the custodians and transactions in the month. These are monitored by the Trustee and, if appropriate, followed up with the Custodian on a timely basis. The Custodian provides a check on the recording of the assets of the Plan.

The Custodian is also responsible for the safekeeping of share certificates and other documents relating to the ownership of investments. Investments are held in the name of the Trustee's nominee company, in line with common practice for pension scheme investments.

Employer Related Investments

The Trustee does not permit the Plan's segregated investment managers to invest in assets of the Parent Company, Chevron Corporation. Certain passive investments may invest in Chevron Corporation. There were no direct employer-related investments at the year end (2023: nil). Any potential indirect employer-related investment through pooled investment vehicles is unintentional and represents less than 0.1% of Plan's net assets at 31 December 2024 and 2023.

Derivatives and Stock Lending

Under the terms of the Trust Deed, the Trustee has the authority to use financial instruments such as futures and options, and to undertake stock lending and hedge currency risks as appropriate in the course of implementing the DB investment strategy. An agreement with the Custodian sets out what constitutes acceptable collateral where stock lending is undertaken. The Plan participated in a stock lending programme with Northern Trust. Details of stock lending as at 31 December 2024 are disclosed in note 9 of the financial statements.

Nature, disposition, marketability, security and valuation

The Trustee has considered the nature, disposition, marketability, security and valuation of the Plan's DB and DC investments and considers them to be appropriate relative to the reasons for holding each class of investment. More details about investments are given in the notes to the financial statements.

Approval of Trustee's Report

This report on pages 1 to 15 was approved by the Trustee.

Signed on behalf of the Trustee:

Trustee Director

Date:

Independent auditors' report to the trustee of Chevron UK Pension Plan

Report on the audit of the financial statements

Opinion

In our opinion, Chevron UK Pension Plan's financial statements:

- show a true and fair view of the financial transactions of the plan during the year ended 31 December 2024, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Net Assets available for benefits as at 31 December 2024; the Fund Account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the plan's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the plan's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the trustee of Chevron UK Pension Plan (Cont)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements, our auditors' report thereon and our auditors' statement about contributions. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the trustee for the financial statements

As explained more fully in the statement of trustee's responsibilities, the trustee is responsible for ensuring that the financial statements are prepared in accordance with the applicable framework and for being satisfied that they show a true and fair view. The trustee is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the trustee is responsible for assessing the plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to wind up the plan, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the plan and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the administration of the plan in accordance with the Pensions Acts 1995 and 2004 and regulations made under them, and codes of practice issued by the Pensions Regulator; and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, by the trustee and those responsible for, or involved in, the preparation of the underlying accounting records and financial statements, and

Independent auditors' report to the trustee of Chevron UK Pension Plan (Cont)

determined that the principal risks were related to posting inappropriate journals to conceal misappropriation of assets. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Reviewing meeting minutes, any correspondence with the Pensions Regulator, and significant contracts and agreements.
- Holding discussions with the trustee to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with the Pensions Acts 1995 and 2004 and regulations made under them.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
London

Date:

Summary of Contributions payable in the year

During the year, the contributions payable to the Plan by the Employer under the Schedules of Contributions dated 27 September 2023 and 6 June 2024 were as follows:

	Defined Benefit Section £000	Defined Contribution Section £000
Employer normal contributions*	1,538	331
Employee normal contributions	14	-
Contributions payable under the Schedules of Contributions in the year	1,552	331
Employee additional contributions	453	675
Total contributions payable per financial statements	2,005	1,006

*In accordance with the Schedule of Contributions certified on 6 June 2024 the Employer's contributions in respect of the DC element are to be met from the Plan assets.

The actuarial certification of adequacy of contributions and Schedules of Contributions certified 27 September 2023 and 6 June 2024 are included on pages 41 to 48.

Approved by the Trustee and signed on its behalf by:

Trustee Director

Date: _____

Independent auditors' statement about contributions to the trustee of Chevron UK Pension Plan

Statement about contributions

Opinion

In our opinion, the contributions payable under the schedules of contributions for the plan year ended 31 December 2024 as reported in Chevron UK Pension Plan's summary of contributions have, in all material respects, been paid in accordance with the schedules of contributions certified by the plan actuary on 27 September 2023 and 6 June 2024.

We have examined Chevron UK Pension Plan's summary of contributions for the plan year ended 31 December 2024 which is set out on the previous page.

Basis for opinion

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have, in all material respects, been paid in accordance with the relevant requirements. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the plan under the schedules of contributions, and the timing of those payments.

Responsibilities for the statement about contributions

Responsibilities of the trustee in respect of contributions

As explained more fully in the statement of trustee's responsibilities, the plan's trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the plan by employers in accordance with relevant requirements.

Auditors' responsibilities in respect of the statement about contributions

It is our responsibility to provide a statement about contributions and to report our opinion to you.

Use of this report

This report, including the opinion, has been prepared for and only for the trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
London

Date:

The Financial Statements

Fund Account

for the year ended 31 December 2024

	Note	31 December 2024		31 December 2023	
		Defined Benefit Section £000	Defined Contribution Section £000	Total £000	Total £000
Contributions and benefits					
Employer contributions		1,538	331	1,869	2,419
Employee contributions		467	675	1,142	888
Total contributions	4	2,005	1,006	3,011	3,307
Transfers in	5	-	102	102	41
		2,005	1,108	3,113	3,348
Benefits paid or payable	6	(84,073)	(325)	(84,398)	(80,460)
Transfers out	7	(1,279)	(10)	(1,289)	(3,077)
Administrative expenses	8	(1,721)	-	(1,721)	(129)
		(87,073)	(335)	(87,408)	(83,666)
Net (withdrawals) / additions from dealings with members		(85,068)	773	(84,295)	(80,318)
Returns on investments					
Investment income	9	32,155	2	32,157	29,201
Change in market value of investments	10	(123,927)	1,256	(122,671)	37,391
Investment management expenses	11	(1,872)	-	(1,872)	(1,917)
Net returns on investments		(93,644)	1,258	(92,386)	64,675
Net (decrease) / increase in the fund		(178,712)	2,031	(176,681)	(15,643)
Transfer between sections	21	(330)	330	-	-
Net assets of the Plan					
Opening net assets		2,143,153	8,465	2,151,618	2,167,261
Closing net assets		1,964,111	10,826	1,974,937	2,151,618

The notes on pages 23 to 40 form part of these financial statements.

The Financial Statements (Cont)

Statement of Net Assets

available for benefits as at 31 December 2024

	Note	31 December 2024			31 December 2023
		Defined Benefit Section £000	Defined Contribution Section £000	Total £000	Total £000
Investment assets:					
Equities	10	214,450	-	214,450	234,123
Bonds	10	368,336	-	368,336	381,487
Pooled investment vehicles	13	1,287,317	10,609	1,297,926	1,459,069
Derivatives	14	459	-	459	1,291
AVC investments	15	38,286	-	38,286	37,778
Cash	10	38,847	-	38,847	16,591
Income receivable	10	9,324	-	9,324	8,907
Amounts due from brokers	10	1	-	1	-
		1,957,020	10,609	1,967,629	2,139,246
Investment liabilities:					
Derivatives	14	(695)	-	(695)	(230)
Total net investments	10	1,956,325	10,609	1,966,934	2,139,016
Current assets	19	10,123	450	10,573	13,623
Current liabilities	20	(2,337)	(233)	(2,570)	(1,021)
Total net assets available for benefits		1,964,111	10,826	1,974,937	2,151,618

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year. The actuarial position of the Plan, which takes into account such obligations for the defined benefit section, is dealt with in the Report on Actuarial Liabilities on pages 8 and 9 of the Annual Report, and these financial statements should be read in conjunction with this report.

The notes on pages 23 to 40 form part of these financial statements.

These financial statements on pages 21 to 40 were approved by the Trustee.

Signed on behalf of the Trustee:

Trustee Director

Date: _____

Notes to the Financial Statements

Chevron UK Pension Plan (the “Plan”) consists of a Defined Benefit arrangement which is closed to new members and a hybrid arrangement (comprising both Defined Benefit and Defined Contribution Sections) for members who joined after 1 January 2012. The Plan is registered in England and Wales under Chapter 2 of Part 4 of the Finance Act 2004 and established under English law. The Trustee’s registered office is Chevron UK Pension Trustee Limited, 1 Westferry Circus, Canary Wharf, London E14 4HA.

1. Basis of preparation

The individual financial statements of Chevron UK Pension Plan have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council (“FRS 102”) and the guidance set out in the Statement of Recommended Practice “Financial Reports of Pension Schemes” (revised June 2018) (“the SORP”).

2. Accounting policies

The principal accounting policies of the Plan which are applied consistently are as follows:

Currency

- The Plan’s functional and presentational currency is pounds sterling. Monetary items denominated in foreign currency are translated into sterling using the closing exchange rates at the Plan year-end. Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction. Gains and losses arising on conversion or translation are dealt with as part of the change in market value of investments.

Contributions

- Employee normal contributions, including AVCs, are accounted for by the Trustee when they are deducted from pay by the Employer.
- Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as the employees’ contributions, in accordance with the Schedule of Contributions in force during the year.

Payments to members

- Pensions in payment are accounted for in the period to which they relate.
- Where members have a choice regarding the form and timing of their benefit, benefits are accounted for on an accruals basis on the later of the date of retiring or leaving and the date the option is exercised.
- Other benefits are accounted for on an accruals basis based on the date of members’ retirement, death or leaving the Plan.
- Individual transfers in or out of the Plan are accounted for when member liability is accepted or discharged which is normally when the transfer amount is received or paid.
- Taxation arising on benefits paid or payable is in respect of members whose benefits exceeded the lifetime or annual allowance and who elected to take lower benefits from the Plan in exchange for the Plan’s settling their tax liability. This is accounted for on the same basis as the event giving rise to the tax liability and shown separately within Benefits paid or payable.

Expenses and other payments

- Administrative and investment management expenses are accounted for on an accruals basis.

Investment income

- Dividends from quoted securities are accounted for when the security is declared ex-dividend.
- Income from pooled investment vehicles relates to distributions received from the Plan’s property investments. These distributions are received into the Trustee bank account and are accounted for on an accruals basis.
- Income from cash and short term deposits is accounted for on an accruals basis.
- Receipts from annuity insurance policies are accounted for as investment income on an accruals basis.
- Income received as a result of securities lending arrangements is accounted for on an accruals basis.
- In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value of investments also includes such income.

Notes to the Financial Statements (Cont)

2. Accounting policies (Cont)

Investments

- Bonds are stated at bid value, their clean price, which exclude the value of interest accruing from the previous interest payment date to the valuation date. Accrued income is accounted for within investment income.
- Equities traded through the Stock Exchange Trading Service are valued on a bid price basis. Where appropriate, bid values listed in overseas currencies are translated into sterling at the rates of exchange ruling at the year end.
- Pooled investment vehicles are valued at the closing bid price or, if single prices, at the closing single price provided by the investment custodian and/or manager at the year end.
- Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the year end.
- The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Derivatives

- Derivatives with an initial purchase price are reported as purchases. Those that do not have an initial purchase price but require a deposit, such as an initial margin to be placed with the broker, are recorded at nil cost on purchase.
- Derivative contracts are included in the statement of net assets available for benefits at market value. Derivatives with positive values are included in the statement of net assets available for benefits as assets at bid price, and those with negative values as liabilities at offer price. The amount included in change in market value is the realised gain or loss.

Futures

- Open futures contracts are recognised in the statement of net assets available for benefits at their fair value, which is the unrealised profit or loss at the current bid or offer market quoted price of the contract, as determined by the closing exchange price as at the year end.
- Amounts due from the broker represent the amounts outstanding in respect of the initial margin and any variation margin due to or from the broker.
- Amounts included in the change in market value of investments represent realised gains or losses on closed futures contracts and the unrealised gains or losses on open futures contracts.
- Initial margins are reported as nil cost, and the margin deposit accounted for within balances due from the broker as an investment asset.
- Variation margin payments and receipts are reported within cash.

Forward Foreign Exchange contracts

- Forward foreign exchange contracts outstanding at the year end are stated at fair value, which is determined as the gain or loss that would arise if each outstanding contract was matched at the year end with an equal and opposite contract at that date.
- Changes in the fair value of the forward contracts are reported within change in market value of investments in the Fund Account.

AVC Investments

- AVC investments securing additional benefits for those members electing to pay additional voluntary contributions ("AVCs") are included in the statement of net assets available for benefits. The market value of these investments is the fair value advised by the investment manager at the year-end date.

Notes to the Financial Statements (Cont)

2. Accounting policies (Cont)

Annuities

- There are certain legacy insurance annuity policies held in the name of the Trustee, with Prudential, Aviva, Standard Life, Canada Life, Friends Life and Phoenix Life. The Trustee has discussed these annuity policies with its advisers and has concluded that they are not material to the value of the Plan's net assets and it is not cost effective to have these policies valued each year for the purposes of the Plan financial statements. The values of these policies are therefore excluded from the financial statements.
- The cost of purchasing immediate annuities in respect of pensioners is reported within the Fund Account under 'Benefits paid or payable'.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- There are no critical judgements in applying the accounting policies.
- Key accounting estimates and assumptions - the Trustee make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Plan, the Trustee believes that only those investments falling within Level 3 of the fair value hierarchy (see note 16) have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Comparative disclosures for the Fund Account and Statement of Net Assets

The following table shows a split of the totals for the prior year included within the financial statements between the Defined Benefit and Defined Contribution Sections.

Fund Account

Note	Year ended 31 December 2023		
	Defined Benefit Section £000	Defined Contribution Section £000	Total £000
Contributions and benefits			
Employer contributions	1,856	563	2,419
Employee contributions	463	425	888
Total contributions	4 2,319	988	3,307
Transfers in	5 41	-	41
	2,360	988	3,348
Benefits paid or payable	6 (80,402)	(58)	(80,460)
Transfers out	7 (2,659)	(418)	(3,077)
Administrative expenses	8 (129)	-	(129)
	(83,190)	(476)	(83,666)
Net (withdrawals) / additions from dealings with members	(80,830)	512	(80,318)
Returns on investments			
Investment income	9 29,200	1	29,201
Change in market value of investments	36,485	906	37,391
Investment management expenses	11 (1,917)	-	(1,917)
Net returns on investments	63,768	907	64,675
Net (decrease)/increase in the fund during the year	(17,062)	1,419	(15,643)
Net assets of the Plan			
Opening net assets	2,160,215	7,046	2,167,261
Closing net assets	2,143,153	8,465	2,151,618

Notes to the Financial Statements (Cont)

3. Comparative disclosures for the Fund Account and Statement of Net Assets (Cont)

Statement of Net Assets

available for benefits as at 31 December 2023

	Note	Defined Benefit Section £000	Defined Contribution Section £000	Total £000
Investment assets:				
Equities	10	234,123	-	234,123
Bonds	10	381,487	-	381,487
Pooled investment vehicles	13	1,450,849	8,220	1,459,069
Derivatives	14	1,291	-	1,291
AVC investments	15	37,778	-	37,778
Cash	10	16,513	78	16,591
Income receivable	10	8,907	-	8,907
		2,130,948	8,298	2,139,246
Investment liabilities:				
Derivatives	14	(230)	-	(230)
Amounts due to brokers	10	-	-	-
		(230)	-	(230)
Total net investments	10	2,130,718	8,298	2,139,016
Current assets	19	13,456	167	13,623
Current liabilities	20	(1,021)	-	(1,021)
Total net assets available for benefits		2,143,153	8,465	2,151,618

Notes to the Financial Statements (Cont)

4. Contributions

	Defined Benefit Section £000	2024 Defined Contribution Section £000	Total £000
Employer contributions			
Normal	1,538	331	1,869
Employee contributions			
Normal	14	-	14
Additional voluntary contributions	453	675	1,128
	467	675	1,142
	2,005	1,006	3,011
		2023	
Employer contributions			
Normal	1,856	563	2,419
Employee contributions			
Normal	17	-	17
Additional voluntary contributions	446	425	871
	463	425	888
	2,319	988	3,307

Contributions received from the Employer in the current year were in accordance with the Schedules of Contributions certified by the Plan Actuary on 27 September 2023 and 6 June 2024.

In accordance with the Schedule of Contributions certified on 6 June 2024, the Employer's contributions in respect of the DC element are to be met from the Plan assets and the Plan will meet all Plan expenses incurred on and from 1 July 2024. The amount used in the year to meet the DC Employer's contributions are shown as transfers between sections as per note 21 to the financial statements.

Between 1 July 2024 and 31 October 2024, the Employer continued to pay the Employer's contributions in respect of the DC element to the Plan which should have been funded from the Plan assets for that period. The Employer and Trustee have agreed that, rather than refund these contributions to the Employer, this amount to be used to offset any costs related to the implementation of the new hire DC Section in the future. The amount of £218k relating to these contribution receipts are shown as deferred income in note 22 to the financial statements.

Employer normal contributions include contributions in respect of salary sacrifice arrangements made available to certain members by the Employer.

Notes to the Financial Statements (Cont)

5. Transfers in

	Defined Benefit Section £000	2024 Defined Contribution Section £000	Total £000
Individual transfers in from other schemes	-	102	102
2023			
Individual transfers in from other schemes	41	-	41

6. Benefits paid or payable

	Defined Benefit Section £000	2024 Defined Contribution Section £000	Total £000
Pensions	71,811	-	71,811
Commutations and lump sum retirement benefits	11,935	310	12,245
Lump sum death benefits	252	-	252
Taxation where lifetime or annual allowance exceeded	75	15	90
	84,073	325	84,398
2023			
Pensions	70,577	-	70,577
Commutations and lump sum retirement benefits	9,621	57	9,678
Lump sum death benefits	170	-	170
Taxation where lifetime or annual allowance exceeded	34	1	35
	80,402	58	80,460

Included in pensions are payments of £nil (2023: £1.3m) relating to backdated GMP equalisation amounts and £nil (2023: £173K) in interest amounts in relation to those backdated amounts, as explained in note 24 to the financial statements.

Notes to the Financial Statements (Cont)

7. Transfers out

	Defined Benefit Section £000	2024 Defined Contribution Section £000	Total £000
Individual transfers to other schemes	1,279	10	1,289
2023			
Individual transfers to other schemes	2,659	418	3,077

Transfers include full transfers to other schemes and partial transfers such as transfer of AVC benefits or as a result of pension sharing orders on divorce.

8. Administrative expenses

	Defined Benefit Section £000	2024 Defined Contribution Section £000	Total £000
Administration	722	-	722
Actuarial	777	-	777
Legal & professional	273	-	273
Audit	85	-	85
PPF & TPR levies	66	-	66
Trustee fees and expenses	22	-	22
Other administration expenses	24	-	24
VAT recovery	(248)	-	(248)
	1,721	-	1,721
2023			
PPF & TPR levies	78	-	78
Trustee fees and expenses	12	-	12
Other administrative expenses	39	-	39
	129	-	129

All Plan expenses (excluding levies, Trustee fees and expenses and certain charges related to DC investments) were previously borne the Employer and not recharged to the Plan. In accordance with the Schedule of Contributions certified on 6 June 2024, it has been agreed that Plan assets are to be used to pay all Plan expenses incurred on and from 1 July 2024.

Notes to the Financial Statements (Cont)

9. Investment income

	Defined Benefit Section £000	2024 Defined Contribution Section £000	Total £000
Dividends from equities	3,414	-	3,414
Income from bonds	18,370	-	18,370
Income from pooled investment vehicles	8,195	-	8,195
Annuity income	41	-	41
Interest on cash deposits	2,078	2	2,080
Income from stock lending	57	-	57
	32,155	2	32,157
2023			
Dividends from equities	5,087	-	5,087
Income from bonds	16,655	-	16,655
Income from pooled investment vehicles	6,165	-	6,165
Annuity income	50	-	50
Interest on cash deposits	1,056	1	1,057
Income from stock lending	187	-	187
	29,200	1	29,201

Stock Lending

	2024 £000	2023 £000
Total securities on loan at year end	18,634	12,976
Value of collateral received	19,552	13,654
Collateral received as % of value on loan	104.9	105.2

Income under the security lending arrangement with Northern Trust was split 85/15 between the Plan and Northern Trust respectively. Net income generated by the Plan under these arrangements during the year was £57,000 (2023: £187,000).

The securities on loan at 31 December 2024 comprised £9,777,000 US Corporate Bonds, Equities and exchange traded funds (2023: £4,815,000), £8,857,000 Non-US Corporate Bonds and Equities (2023: £8,161,000).

The collateral held against these securities consists of cash, UK gilts-bonds and overseas sovereign debt.

The Plan also has an arrangement with BlackRock; income earned under the securities lending programme is split 62.5% / 37.5% between the Plan and BlackRock. BlackRock's earnings is reflected in the net asset value of the commingled fund that generated the income.

Notes to the Financial Statements (Cont)

10. Reconciliation of investments

	Value at 1 January 2024 £000	Purchases at cost and derivative payments £000	Sales proceeds and derivative receipts £000	Change in market value £000	Value at 31 December 2024 £000
Defined Benefit Section					
Equities	234,123	6,868	(62,087)	35,546	214,450
Bonds	381,487	182,208	(167,628)	(27,731)	368,336
Pooled investment vehicles	1,450,849	287,409	(315,304)	(135,637)	1,287,317
Derivatives – net	1,061	234,749	(235,129)	(917)	(236)
AVC and MPB investments	37,778	15,960	(19,960)	4,508	38,286
	2,105,298	727,194	(800,108)	(124,231)	1,908,153
Cash deposits	16,513			304	38,847
Income receivable	8,907				9,324
Amounts due from brokers	-				1
	2,130,718			(123,927)	1,956,325
Defined Contribution Section					
Pooled investment vehicles	8,220	9,600	(8,467)	1,256	10,609
Cash deposits	78				-
	8,298				10,609

The movement in the defined benefit section's purchase and sales of investments, along with the level of derivative transactions in the year, are aligned to the Plan's current investment strategy and reflective of market volatility in the year.

The defined contribution section purchase and sales of investments includes member switches totalling £7,210k. All of the £10,609k (2023: £8,298k) defined contribution section investment assets are designated to members.

Cash deposits (DB) include £1,618k (2023: £4,662k) held in foreign currencies. The change in market value of cash deposits noted above represent the net gains / losses of conversion to sterling of the foreign cash transactions and balances during the year.

Transaction costs are included in the cost of purchases and deducted from sale proceeds. Direct transaction costs include costs charged to the Plan such as fees, commissions and stamp duty. Transaction costs analysed by main asset class and type of cost are as follows:

	Fees £000	Commission £000	Taxes £000	2024 Total £000	2023 Total £000
Equities	10	12	-	22	12

Indirect costs are incurred through bid-offer spread on investments within pooled investment vehicles. Indirect costs (included those relating to the DC Section) are not separately provided to the Plan.

Notes to the Financial Statements (Cont)

11. Investment management expenses

	Defined Benefit Section £000	2024 Defined Contribution Section £000	Total £000
Administration, management and custody	1,872	-	1,872
		2023	
Administration, management and custody	1,917	-	1,917

12. Taxation

The Plan is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

13. Pooled investment vehicles

The Plan's investments in pooled investment vehicles at the year-end comprised:

	2024 £000	2023 £000
Defined Benefit Section		
Bonds	1,092,237	1,236,070
Property	173,518	205,587
Cash and liquidity	16,812	4,716
Equities	4,750	4,476
	<u>1,287,317</u>	<u>1,450,849</u>
Defined Contribution Section		
Multi-asset and blended funds	8,465	6,157
Equity funds	1,303	1,490
Cash and liquidity funds	830	566
Bond funds	11	7
	<u>10,609</u>	<u>8,220</u>

14. Derivatives

	2024		2023	
Defined Benefit Section	Asset £000	Liability £000	Asset £000	Liability £000
Futures	257	(631)	1,210	(228)
Forward FX contracts	202	(64)	81	(2)
	<u>459</u>	<u>(695)</u>	<u>1,291</u>	<u>(230)</u>

Futures contracts are used by some Investment Managers to increase exposure to particular asset classes in line with the target allocations set by the Trustee's investment strategy but without requiring these underlying asset classes to be held. To do this the Investment Managers take out futures contracts with an economic value broadly equivalent to the exposure required.

Forward foreign exchange contracts are entered into by the active Investment Managers on behalf of the Trustee to hedge their currency exposure.

Notes to the Financial Statements (Cont)

14. Derivatives (cont)

A summary of the Plan's outstanding derivative contracts at the year-end aggregated by key characteristics is set out below:

Futures

Nature	Number of Contracts	Expires	Asset value £000	Liability value £000
Equity stock futures	23	0-3 months	2	(69)
Fixed income bond futures	298	0-3 months	255	(562)
Total 2024			257	(631)
Total 2023			1,210	(228)

Forward FX

Contract	Settlement Date	Currency bought '000	Currency sold '000	Asset value £000	Liability value £000
Forward FX	1-3 Months	£13,275	€15,798	202	-
Forward FX	1-3 Months	€4,036	£3,358	-	(19)
Forward FX	1 Month	£1,103	\$1,438	-	(45)
Total 2024				202	(64)
Total 2023				81	(2)

15. AVC investments

The Trustee holds assets invested separately from the main Defined Benefit Section investments to secure additional benefits on a money purchase basis for those Defined Benefit Section members electing to pay Additional Voluntary Contributions. Members participating in this arrangement each receive an annual statement made up to the Plan year end confirming the amounts held to their account and the movements in the year.

The aggregate amounts of AVC investments are as follows:

	Defined Benefit Section £000	2024 Defined Contribution Section £000	Total £000
Fidelity – AVC (unitised investment)	38,286	-	38,286
		2023	
Fidelity – AVC (unitised investment)	37,778	-	37,778

Notes to the Financial Statements (Cont)

16. Fair value hierarchy

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities which the entity can access at the assessment dates.
- Level 2: Inputs other than quoted prices included within Level 1 which are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

The Plan's investment assets and liabilities fall within the above hierarchy as follows:

	As at 31 December 2024			
	Level 1	Level 2	Level 3	Total
Defined Benefit Section	£000	£000	£000	£000
Equities	214,450	-	-	214,450
Bonds	-	368,336	-	368,336
Pooled investment vehicles	4,750	1,109,049	173,518	1,287,317
Derivatives – net	-	(236)	-	(236)
AVC investments	-	38,286	-	38,286
Cash deposits	38,847	-	-	38,847
Income receivable	9,324	-	-	9,324
Amounts due from brokers	1	-	-	1
	267,372	1,515,435	173,518	1,956,325
Defined Contribution Section				
Pooled investment vehicles	-	10,609	-	10,609
	267,372	1,526,044	173,518	1,966,934
As at 31 December 2023				
	Level 1	Level 2	Level 3	Total
Defined Benefit Section	£000	£000	£000	£000
Equities	234,123	-	-	234,123
Bonds	-	381,487	-	381,487
Pooled investment vehicles	4,476	1,240,786	205,587	1,450,849
Derivatives – net	-	1,061	-	1,061
AVC investments	-	37,778	-	37,778
Cash deposits	16,513	-	-	16,513
Income receivable	8,907	-	-	8,907
	264,019	1,661,112	205,587	2,130,718
Defined Contribution Section				
Pooled investment vehicles	-	8,220	-	8,220
Cash deposits	78	-	-	78
	264,097	1,669,332	205,587	2,139,016

Pooled Investments reported under Level 3 are included at fair value based on values estimated by the underlying fund managers using accepted valuation methodologies and use of market information in the absence of observable market data.

Notes to the Financial Statements (Cont)

17. Investment risk disclosures

Investment risks

FRS102 requires the disclosure of information in relation to certain investment risks as follows:

Credit risk – one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk – comprises the following three types of risk:

- Interest rate risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market interest rates.
- Currency risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Other price risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market prices (other than those due to interest rates and currency).

The following table summarises the extent to which the various classes of investments are affected by financial risks:

Category	Credit Risk	Currency Risk	Interest Rate Risk	Other Price Risk	2024 £000	2023 £000
Defined Benefit Section						
Equities		*		**	214,450	234,123
Bonds	**	*	**		368,336	381,487
Pooled Investment Vehicles	**	*	**	**	1,287,317	1,450,849
Derivative contracts – net	*	*	*	*	(236)	1,061
Other investments	**		**		9,324	8,907
AVC investments	**			**	38,286	37,778
Cash	**	*	*		38,847	16,513
Amounts due from brokers	**	*	*		1	-
Defined Contribution Section						
Pooled Investment Vehicles	**	*	*	**	10,609	8,220
Cash	**	*	*		-	78
					1,966,934	2,139,016

In the above table, the risk noted affects the asset class as follows:

Significantly affected	**
Partially affected	*
Not/hardly affected	

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Plan has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Plan's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Plan's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

Further information on the Trustee's approach to risk management, credit and market risk is set out below. This does not include legacy insurance policies nor AVC investments as these are not considered significant in relation to the overall investments of the Plan.

Notes to the Financial Statements (Cont)

17. Investment risk disclosures (Cont)

Defined Benefit Section

Investment strategy

The investment objective of the DB Section is to invest existing assets and future contributions with the objective to provide returns that complement the agreed funding policy to meet the benefits of the DB Section payable under the Trust Deed and Rules as they fall due. The Trustee determines its investment strategy after taking advice from its professional investment advisers. The investment strategy is set out in the Statement of Investment Principles ("SIP").

The strategy at the year end was to hold 20% in return seeking assets comprising UK and overseas equities and investment property and 80% in liability hedging assets comprising UK government and corporate bonds. At the year end the actual holdings were 20.0% (2023: 21.0%) in return seeking assets and 80.0% (2023: 79.0%) in liability hedging assets, falling within the allowable ranges allowed in the SIP.

Market risk: Interest rates

The Plan is subject to interest rate risk because around 80% of the Plan's investments are held in bonds. Under this strategy, if interest rates fall, the value of bond investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise the investments will fall in value as will liabilities because of an increase in the discount rate.

The Plan also mitigates its interest rate risk from its assets by assessing its exposure relative to the Plan's liabilities exposure to interest rate changes and takes this into consideration as part of any investment strategy reviews and changes to the Plan's portfolio. In particular, the Plan invests in long-dated gilts and index-linked gilts and has considered the duration of these assets, taking into account the duration of the Plan's liabilities.

Exposure to interest rate risk can be measure by assessing the asset's PV01 metric, that is the expected change in the value of the assets if interest rates move by 0.01%. Using this, alongside the PV01 of the Plan's liabilities, the Trustee is able to determine its interest rate hedge ratio and how much exposure to interest rate change it has. Whilst the value of bond and gilt assets are influenced by changing interest rates, the impact is reduced due to the diversified nature of the Plan's assets.

Market risk: Currency

The Plan is subject to currency risk on investments held in overseas markets. The passive equity allocation is not currency hedged but forward foreign exchange contracts are entered into by the active Investment Managers on behalf of the Trustee to hedge their currency exposure.

Market risk: Other price

Other price risk arises principally in relation to the approximate 20% allocation to return seeking assets which comprise equities and investment properties. The Plan manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

Credit risk

The Plan is subject to credit risk because the Plan invests in bonds and undertakes stock lending. The credit risk arising on bonds is mitigated by investing in UK government bonds and high quality corporate bonds. The Trustee manages the credit risk arising from stock lending by restricting the amount of overall stock that may be lent, only lending to approved borrowers who are rated investment grade, limiting the amount that can be lent to any one borrower and putting in place collateral arrangements.

The fixed income bond portfolio generally consists of investment grade* credit instruments from corporations or government securities. To the extent the relevant benchmarks consist of non-investment grade credit the pooled funds are permitted to hold these securities. From time to time securities will be downgraded from investment grade to non-investment grade. In these instances, the manager generally will sell the investment but there may be exceptions that can be addressed on a case by case basis.

** Bonds with a rating of BBB- (on the Standard & Poor's and Fitch scale) or Baa3 (on Moody's) or better are considered investment-grade.*

Notes to the Financial Statements (Cont)

17. Investment risk disclosures (Cont)

The Plan's holdings in pooled investment vehicles are unrated. There is indirect credit risk, through exposure to underlying investments held in pooled cash investment vehicles. These risks are mitigated as noted as these funds are mostly invested in high-quality corporate bonds. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Plan's holdings in segregated mandates are exposed to direct credit risk, however these are held as a part of a diversified portfolio which helps to mitigate the risk. These funds are also mostly invested in high quality investment grade corporate bonds which reduces the direct credit risk in comparison to non-investment grade bonds. A summary of pooled investment vehicles by type of arrangement is as follows:

	2024 £000	2023 £000
Unitised insurance contracts	1,092,237	1,236,070
Unit trusts	69,574	94,753
Open ended investment companies	125,506	120,026
	1,287,317	1,450,849

Defined Contribution Section

Investment strategy

The Trustee's objective is to make available to members of the Plan a range of investment options designed to generate income and capital growth which, together with new contributions from members and their employer, will provide a retirement amount with which the member can purchase a pension annuity (or other type of retirement product). The SIP outlines the investment objectives and strategy for the DC Section assets of the Plan.

The investment funds offered to members are passively managed by BlackRock. These are equity (in various markets), fixed interest bonds (both UK Government and Corporate), a multi-asset funds and cash.

During the year ended 31 December 2023, the Trustee completed a review, in conjunction with its investment advisers, of the Plan's DC investment default arrangements, other lifestyle options and self-select fund range. The review was carried out in two stages, firstly considering the demographics of the membership to establish the risk tolerance, objectives and aims of the membership. The Trustee also considered the relevant findings of the membership survey relevant to sustainable investing. Secondly, to consider the expected risk and potential return of different investment strategies for members. The outcome of the review was that the Trustee decided to make certain changes for members, which were implemented in April 2024. A key change was the introduction of Fidelity's flagship investment option 'FutureWise' as the default investment option for new members.

The day to day management of the underlying investments of the funds is the responsibility of BlackRock including the direct management of credit and market risks. The Trustee monitors the underlying performance through quarterly investment reviews.

The risks disclosed here relate to the DC Section's investments as a whole. Members are able to choose their own investments from the range of funds offered by the Trustee and therefore may face a different profile of risks from their individual choices compared with the Section as a whole.

Credit risk

The DC Section is subject to credit risk in relation to BlackRock through its holding in unit linked insurance funds provided by BlackRock (no other types of arrangements are held by the DC section). BlackRock is regulated by the Financial Conduct Authority and maintains separate funds for its policy holders. The Trustee monitors the creditworthiness of BlackRock by reviewing published credit ratings. BlackRock invests all the Plan's funds in its own investment unit linked funds and it does not use other investment funds or reinsurance arrangements. In the event of default by BlackRock, members may be entitled to limited compensation from the Financial Services Compensation Scheme.

Notes to the Financial Statements (Cont)

17. Investment risk disclosures (Cont)

Market risk

The Plan's DC Section is subject to indirect foreign exchange, interest rate and other price risk arising from the underlying financial instruments held in the funds managed by the investment manager.

The following table summarises the extent to which the various classes of investments are subject to indirect financial risks:

	Credit	Indirect risk		Other price	2024 £'000	2023 £'000
		Currency	Interest rate			
Defined Contribution Section						
Multi-asset and blended funds	✓	✓	✓	✓	8,465	6,157
Equity funds		✓		✓	1,303	1,490
Cash and liquidity funds	✓	✓	✓		830	566
Bond funds	✓		✓		11	7
					<u>10,609</u>	<u>8,220</u>

18. Concentration of investments

The following investments each account for more than 5% of the Plan's net assets at the year-end:

	2024		2023	
	£000	%	£000	%
DB - BlackRock Over 15 Corporate Bond Fund	294,748	14.9	346,403	16.1
DB - LGIM Over 15 year Index Linked Gilts Fund	232,998	11.8	247,471	11.5
DB - BlackRock Aquila Life Over 15 year Gilts Fund	150,827	7.6	34,515	1.6
DB - BlackRock Over 15 year Gilts Fund	143,761	7.3	160,720	7.5
DB - BlackRock 5-15 year Corporate Bond Fund	134,997	6.8	150,306	7.0
DB - CBRE GI Open Ended Funds SICAV Fund	103,944	5.3	110,834	5.1
DB - BlackRock Over 25 year Index Linked Gilts Fund	71,810	3.6	296,654	13.8

19. Current assets

	Defined Benefit Section £000	2024 Defined Contribution Section £000	Total £000
Prepaid pensions	4,933	-	4,933
Cash balances	4,940	450	5,390
Other debtors	250	-	250
	<u>10,123</u>	<u>450</u>	<u>10,573</u>
		2023	
Prepaid pensions	4,799	-	4,799
Cash balances	8,655	167	8,822
Other debtors	2	-	2
	<u>13,456</u>	<u>167</u>	<u>13,623</u>

DC cash balances held at the year end represent the Employer Reserve not designated to members. The Employer Reserve consists of the Employer contributions previously paid to the Plan under the salary sacrifice arrangement, which are not repaid to the Employer when a member elects to take a refund of contributions.

Notes to the Financial Statements (Cont)

20. Current liabilities

	Defined Benefit Section £000	2024 Defined Contribution Section £000	Total £000
Unpaid benefits	1,157	15	1,172
Accrued expenses	1,180	-	1,180
Deferred income	-	218	218
	2,337	233	2,570
2023			
Unpaid benefits	629	-	629
Accrued expenses	392	-	392
	1,021	-	1,021

21. Transfers between sections

	2024	
	DB Section £000	DC Section £000
DC Employers contributions paid from DB assets	(330)	330
2023		
	DB Section £000	DC Section £000
DC Employers contributions paid from DB assets	-	-

As per note 4 to the financial statements, in accordance with the Schedule of Contributions certified on 6 June 2024 the Employer's contributions in respect of the DC element are to be met from the Plan assets. The amount used in the year to meet the DC Employer's contributions are shown as transfers between sections in the table above.

22. Related party transactions

Key management personnel

The Plan has received contributions in respect of four (2023: four) Trustee directors who are contributing members of the Plan and has also paid benefits to three (2023: three) Trustee directors who are beneficiaries of the Plan.

Other related parties

All Plan expenses (excluding levies, Trustee fees and expenses and certain charges related to DC investments) were borne by the Employer until 30 June 2024. In accordance with the Schedule of Contributions certified on 6 June 2024, it has been agreed that Plan assets are to be used to pay all Plan expenses incurred on and from 1 July 2024. Fees and expenses paid to Trustee Directors in the year are disclosed in note 8.

23. Employer-related investments

There were no direct employer-related investments at the year end (2023: nil). Any potential indirect employer-related investment through pooled investment vehicles is unintentional and represents less than 0.1% of Plan net assets at 31 December 2024 and 2023.

Notes to the Financial Statements (Cont)

24. Contingent liabilities

GMP equalisation

In October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded that schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pensions. The issues determined by the judgement arise in relation to many other defined benefit pension schemes.

The Trustee has undertaken detailed work to address this issue with all pensions now being paid from the Plan reflecting adjustments for GMP equalisation and, where relevant, members notified of any back-payments due. The payment of these back-payments was recognised in the 2023 financial statements as detailed in note 6.

Historic transfers out

In November 2020, the High Court handed down a further judgment on the GMP equalisation case in relation to the Lloyds Banking Group pension schemes. This follows from the original judgment in October 2018. This latest judgment confirms that defined benefit schemes which provide GMPs need to revisit and where necessary top up historical Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee has considered this and have a plan to contact affected former members during 2025 to ascertain how payments should be made.

Ruling on amendment of Contracted-Out Salary-Related pension schemes

In June 2023, the High Court handed down a decision in the Virgin Media Ltd versus NTL Pension Trustees II Ltd case, which considered the implications of section 37 of the Pension Schemes Act 1993, which required that the rules of a salary-related contracted-out pension scheme cannot be altered, in relation to post April 1997 service, unless the actuary confirmed that the scheme would continue to satisfy the statutory standards. The High Court found that, where the required actuarial confirmation was not supplied, the effect of section 37 was to render the relevant amendment to any contracted-out right automatically void. It also held that references in the legislation included both past and future service rights and that the requirement for actuarial confirmation applied to all amendments to the rules of a contracted-out scheme. This decision was appealed to the Court of Appeal and, in July 2024, the Court of Appeal upheld the decision of the High Court. The Trustee is monitoring the position and will consider the possible implications, if any, for the Plan of the above with its advisers and what steps, if any, it wishes to take. It is not practicable, at present, to estimate the financial effect on the Plan, if any, of the uncertainties in relation to the amount or timing of any outflow of resources, or the possibility of reimbursement of resources.

In June 2025, the Government announced that they will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. The Government will provide further details on this in due course.

Certificate of Adequacy of Contributions – September 2023

Actuary's certification of the Schedule of Contributions

Name of scheme: Chevron UK Pension Plan

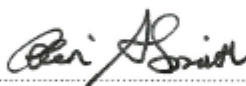
Adequacy of rates of contributions

I certify that, in my opinion, the rates of the contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 December 2022 to continue to be met for the period for which the Schedule is in force.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 27 September 2023.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were wound up.

Signature.....

Date.....27 September 2023

Colin P Smith
Fellow of the Institute and Faculty of Actuaries

Towers Watson Limited (a WTW company)
Watson House, London Road,
Reigate, Surrey RH2 9PQ

Schedule of Contributions – September 2023

Chevron UK Pension Plan

Schedule of Contributions

Status of this document

This Schedule has been prepared by Chevron UK Pension Trustee Limited ("the Trustee") as Trustee of the Chevron UK Pension Plan (the "Plan") to satisfy the requirements of section 227 of the Pensions Act 2004, after obtaining the advice of Colin Smith, the Actuary to the Plan appointed by the Trustee.

This document is dated 27 September 2023 and is the 16th Schedule of Contributions put in place for the Plan. It supersedes all earlier versions.

This Schedule of Contributions has been agreed by Chevron Energy Limited ("the Employer") and the Trustee.

Terms used in this Schedule of Contributions have the meanings given to them in the Definitive Trust Deed and Rules ("the Rules") adopted by Deed of Amendment dated 12 December 2019 (as altered by subsequent amending deeds) governing the Plan, unless the context requires otherwise. In all cases, references to Pensionable Pay mean as defined in Section 3 (Contributions) of the Rules.

Nothing in this Schedule of Contributions shall preclude the payment of higher contributions as may, from time to time, be agreed between the Trustee and the Employer.

Contributions to be paid to the Plan before 31 December 2022

Contributions will be paid in accordance with the provisions of the 15th Schedule of Contributions, dated 30 September 2020.

Contributions to be paid to the Plan from 31 December 2022 to 31 December 2028

Members' contributions

While the arrangement known as Pension Salary Exchange exists, Active Members and Active Deferred Members participating in it shall not pay contributions. Other Active Members and Active Deferred Members shall pay contributions monthly at the rate of:

- 2.5% of Pensionable Pay in excess of the Lower Earnings Limit during periods of employment as a member of the Standard Section of the Plan
- 6% of Pensionable Pay during periods of employment as a member of the New Section of the Plan.

These contributions will be paid to the Plan by the 19th of the following month.

Employer's contributions in respect of future accrual of benefits and expenses

The Employer will meet all non-investment related administration expenses unless it is otherwise agreed with the Trustee, from time to time, that they will be met from the Plan.

Other than for the DC Section, the Employer shall not be required to pay normal contributions to the Plan.

Schedule of Contributions September 2023 (Cont)

In respect of Active Members of the New Section of the Plan the Employer shall also pay contributions to the DC Section monthly at the rates shown below:

Active Members Age	% of DC Base Salary	% of Onshore Shift Allowance	% of Offshore Allowance DC Base
Under 30	10	10	10
30-39	15	15	15
40-49	20	20	20
50 & Over	25	25	25

The contributions so calculated may be reduced by the amount by which the Principal Company so directs the Trustee to transfer from the Reserve Account. These contributions will be paid to the Plan by the 19th of the following month.

In addition, while the arrangement known as Pension Salary Exchange exists, the Employer shall pay contributions in respect of Active Members and Active Deferred Members participating in it at the monthly rate of:

- 2.5% of Pensionable Pay in excess of the Lower Earnings Limit during periods of employment as a member of the Standard Section of the Plan
- 6% of Pensionable Pay during periods of employment as a member of the New Section of the Plan.

These contributions will be paid to the Plan by the 19th of the following month.

Employer's contributions in respect of benefit augmentations

In addition, the Employer will fund the cost of any augmented benefits directed by the Employer in accordance with Section 6 of the Rules of the Plan. Any additional amounts agreed by the Employer and the Trustee (after taking advice from the Plan Actuary) must be paid to the Trustee within 30 days of the Trustee requesting them.

Calculation errors

The Employer may contribute smaller amounts than those described in the previous paragraphs provided that this results from calculation errors and that, at any time, the cumulative amounts paid are no more than £50,000 lower than the cumulative amounts due in accordance with the previous paragraphs. The Employer shall make good the shortfall as soon as reasonably practicable after it becomes aware of any such calculation error.

Dates of review of this Schedule

This Schedule of Contributions will be reviewed by the Trustee and the Employer no later than 15 months after the effective date of each actuarial valuation, due every three years.

Schedule of Contributions September 2023 (Cont)

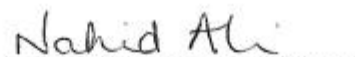
Signed on behalf of:

Chevron UK Pension Trustee Limited

Name

Position

Date



NAHID ALI

DIRECTOR

27/09/2023

Signed on behalf of:

Chevron Energy Limited

Name

Position

Date



Sierenfloyd

Director.

27.9.2023

Certificate of Adequacy of Contributions – June 2024

Actuary's certification of the Schedule of Contributions

Name of scheme: Chevron UK Pension Plan

Adequacy of rates of contributions

I certify that, in my opinion, the rates of the contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 December 2022 to continue to be met for the period for which the Schedule is in force.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 27 September 2023.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were wound up.

Signature Colin P Smith

Date 6/6/24

Colin P Smith
Fellow of the Institute and Faculty of Actuaries

Towers Watson Limited (a WTW company)
Watson House, London Road,
Reigate, Surrey RH2 9PQ

Schedule of Contributions – June 2024

Chevron UK Pension Plan

Schedule of Contributions

Status of this document

This Schedule has been prepared by Chevron UK Pension Trustee Limited ("the Trustee") as Trustee of the Chevron UK Pension Plan (the "Plan") to satisfy the requirements of section 227 of the Pensions Act 2004, after obtaining the advice of Colin Smith, the Plan Actuary appointed by the Trustee.

This document is dated 1 June 2024 and is the 17th Schedule of Contributions put in place for the Plan. It supersedes all earlier versions.

This Schedule of Contributions has been agreed by Chevron Energy Limited ("the Employer") who is the sole employer in the Plan and the Trustee.

Terms used in this Schedule of Contributions have the meanings given to them in the Definitive Trust Deed and Rules ("the Rules") adopted by Deed of Amendment dated 12 December 2019 (as altered by subsequent amending deeds) governing the Plan unless the context requires otherwise. In all cases, references to Pensionable Pay mean as defined in Section 3 (Contributions) of the Rules.

Nothing in this Schedule of Contributions shall preclude the payment of higher contributions as may, from time to time, be agreed between the Trustee and the Employer.

Contributions to be paid to the Plan before 1 July 2024

Contributions will be paid in accordance with the provisions of the 16th Schedule of Contributions, dated 27 September 2023 up to 1 July 2024.

Contributions to be paid to the Plan from 1 July 2024 to 30 June 2029

Members' contributions

Active Members and Active Deferred FP Members, not participating in the Pension Salary Exchange, shall pay contributions monthly at the following rates (or such other amounts as may be notified to the member in writing by the Principal Company), as agreed with the Trustee to utilise part of the surplus arising on the 31 December 2022 valuation.

- From 1 July 2024 to 30 June 2027 (or such later date as may be proposed by the Principal Company):
 - 1.25% of Pensionable Pay in excess of the Lower Earnings Limit during periods of employment as a member of the Standard Section of the Plan
 - 3% of Pensionable Pay during periods of employment as a member of the New Section of the Plan.
- Thereafter:
 - 2.5% of Pensionable Pay in excess of the Lower Earnings Limit during periods of employment as a member of the Standard Section of the Plan
 - 6% of Pensionable Pay during periods of employment as a member of the New Section of the Plan.

These contributions will be paid to the Plan by the 19th of the following month.

Active Members and Active Deferred FP Members participating in the Pension Salary Exchange shall not pay contributions as these are met by the Member's Employer (as set out below).

https://chevron-my.sharepoint.com/personal/iburdaei_chevron_com/Documents/Trustee/19th June 2024/Schedule of Contributions - June 2024.docx 1

Schedule of Contributions June 2024 (Cont)

Employer's contributions in respect of future accrual of benefits (other than for the DC Element)

In respect of Active Members and Active Deferred FP Members participating in the Pension Salary Exchange, the Employer will pay the monthly member contributions (as set out above) that would otherwise be due if such individuals did not participate in the Pension Salary Exchange. These contributions will be paid to the Plan by the 19th of the following month.

As part of the settlement of the 31 December 2022 actuarial valuation the Principal Company and the Trustee agreed a continuation of the employer contribution holiday in respect of employer contributions under Plan rule 3.4(1). The rate of contributions under this rule is therefore nil.

Employer's contributions in respect of the DC Element

Under the Rules the rates of contributions due from the Principal Company in respect of Active Members of the New Section of the Plan are set out below, although over the period covered by the schedule these contributions will, however, be reduced to nil. The Principal Company having directed that Fund assets are to be used to meet these costs.

Active Members Age	% of DC Base Salary	% of Onshore Shift Allowance	% of Offshore Allowance DC Base
Under 30	10	10	10
30-39	15	15	15
40-49	20	20	20
50 & Over	25	25	25

Employer's contributions in respect of expenses

The Plan will meet all expenses unless the Principal Company directs otherwise under Rule 12.2. The Principal Company has currently directed that the Fund assets be used to pay Plan expenses (including for the avoidance of doubt any levies including the PPF levy) incurred on and from 1 July 2024 (aside from New Section Member's DC Element costs and expenses which are reflected in the unit price of Nominated Funds).

Employer's contributions in respect of benefit augmentations

The Principal Company will fund the cost of any augmented benefits directed by the Principal Company in accordance with Section 6 of the Rules of the Plan. Any additional amounts agreed by the Principal Company and the Trustee (after taking advice from the Plan Actuary) must be paid to the Trustee within 30 days of the Trustee requesting them.

Calculation errors

The Principal Company may contribute smaller amounts than those described in the previous paragraphs provided that this results from calculation errors and that, at any time, the cumulative amounts paid are no more than £50,000 lower than the cumulative amounts due in accordance with the previous paragraphs. The Principal Company shall make good the shortfall as soon as reasonably practicable after it becomes aware of any such calculation error.

Dates of review of this Schedule

This Schedule of Contributions will be reviewed, revised and agreed by the Trustee and the Employer no later than 15 months after the effective date of each actuarial valuation, due every three years.

https://chevron-my.sharepoint.com/personal/sandeej_chevron_com/Documents/AllMy Documents/Trustee/19th June 2024/Schedule of Contributions - June 2024.docx 2

Schedule of Contributions June 2024 (Cont)

Signed on behalf of:

Chevron UK Pension Trustee Limited

Name

Position

Date


MATT WEIGHT
DIRECTOR
4/6/24

Signed on behalf of:

Chevron Energy Limited

Name

Position

Date


ARMAN HASHAN HAQUE
Director
4/June/24

https://chevron-my.sharepoint.com/personal/sandeel_chevron_com/Documents/Ashley's Documents/Trustee/19th June 2024/Schedule of Contributions - June 2024.docx 3

Implementation Statement - DB Section

Chevron UK Pension Plan

Defined Benefit Section Implementation Statement

**For year ended 31
December 2024**

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Implementation Statement - DB Section (Cont)

Chevron UK Pension Plan

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Section 1: Introduction

This document is the annual implementation statement (the "statement") prepared by the Trustee of the Chevron UK Pension Plan (the "Plan") covering the "Plan year" from 1 January 2024 to 31 December 2024 in relation to the Statement of Investment Principles ("SIP"). This statement refers to the Defined Benefit (DB) section of the Plan. A separate implementation statement covering the Defined Contribution (DC) section has also been made available.

The Plan's SIP can be found on the Chevron UK Pension Plan website linked here: www.chevronukpension.co.uk

The purpose of this statement is to:

- set out the extent to which, in the opinion of the Trustee, the Plan's Statement of Investment Principles ("SIP") required under section 35 of the Pensions Act 1995 has been followed during the year;
- detail any reviews of the SIP the Trustee has undertaken, and any changes made to the SIP over the Plan year as a result of the review;
- describe the voting behaviour by, or on behalf of, the Trustee over the year.

A copy of this implementation statement is made available on the following website: www.chevronukpension.co.uk

This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Plans (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator.

Implementation Statement - DB Section (Cont)

Chevron UK Pension Plan

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Section 2: SIP reviews/changes over the year

The SIP is a document which outlines the Trustee's policies with respect to various aspects related to investing and managing the Plan's assets including but not limited to; investment managers, portfolio construction and risks.

The SIP that was in place at the start of the year was dated May 2023. The SIP was reviewed and updated once during the Plan year and was dated March 2024. The changes to the SIP were:

- Updating how the gilt allocation is shown in the strategic asset allocation
- Updated the underlying constituents of the Total Property Benchmark

For the purpose of assessing how the Plan's SIP has been followed, the remainder of this statement specifically focuses on the SIP agreed in March 2024.

The Trustee considers that all SIP policies and principles relevant to this statement were adhered to.

Implementation Statement - DB Section (Cont)

Chevron UK Pension Plan

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Section 3: Adherence to the SIP

The DB SIP (as referenced in the Annual Report and made available on a publicly available website) comprises the following sections:

- Section 1: Introduction
- Section 2: Defined Benefit Investment Objectives, Risk and Investment Strategy
- Section 3: Day-To-Day Management of the Assets
- Section 4: Compliance with this Statement
- Section 5: Review of this Statement

In this statement, we comment on each of these sections and how the Trustee has implemented the principles within each one.

SIP Section 1: Introduction

1 – These paragraphs provide relevant introductory and background comments and information for the DB Section, rather than setting out any policies. We also note that the Trustee has consulted suitably qualified persons and obtained written advice from Willis Towers Watson on this statement.

This section addresses the fact that this document is exclusively focused on the DB pension arrangements, but the Plan does provide both DB and DC benefits.

The overall investment policy for DB assets is also explained here as falling into two parts:

- i. The Trustee follows the investment objectives set out in Section 2 below. The Trustee receives expert advice in determining the investment objectives.
- ii. The day-to-day management of the assets is delegated to professional investment managers and is described in Section 3.

SIP Section 2: Defined Benefit Investment Objectives, Risk and Investment Strategy

2.1 – These paragraphs set out the principle responsibilities and investment policy objectives of the Trustee for the DB section of the Plan. The Trustee is satisfied that the objectives as set out in this section of the SIP have been followed. In particular, with regard to the DB section, the Trustee is satisfied that:

- a) in monitoring the Plan assets against its performance benchmark, that it has achieved a total return within reasonable bounds of the benchmark rate set, within prudent levels of risk and liquidity;
- b) the Trustee's Investment Committee (IC) agreed a set of investment beliefs against which all strategic decisions can be assessed to ensure they align;
- c) the Plan successfully meets the cost of benefit obligations as they rise;
- d) asset growth has continued such that the Plan has achieved at or above benchmark rate of total return of the Plan assets within prudent levels of risk and liquidity and;
- e) the Plan has provided adequate liquidity for benefit payments and portfolio management and;
- f) the portfolio is comprised of an appropriate, diversified asset allocation and these assets deliver an investment return above benchmark over the long term.

In order to monitor the above, the Trustee receives quarterly investment monitoring reports from its investment adviser and discusses these at quarterly IC meetings. These reports cover both DB and DC sections of the Plan and use information provided by the Plan's custodian and performance manager in addition to investment managers, including detailed information on a range of qualitative and quantitative factors, market background, short and long-term performance and risk/return metrics.

Implementation Statement - DB Section (Cont)

Chevron UK Pension Plan

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The Trustee also receives ad-hoc communications when a significant change occurs at any underlying investment managers.

2.2 – These paragraphs set out the key risks that the Plan is exposed to and the Trustee's policy on these risks. The Trustee is satisfied that these risks have been monitored and where possible mitigated through the following action:

- a) The Trustee has established a policy benchmark for the Plan in order to balance risks arising from the characteristics of the Plan's assets and liabilities.
- b) Risk is monitored quarterly and the Trustee received investment advice based on this monitoring.
- c) The Trustee recognises that the use of active management introduces risk that assets may underperform policy benchmark therefore the Trustee meets with the Plan's active managers on an annual basis to discuss strategy and performance. Active managers are also monitored on a quarterly basis.
- d) The asset allocation is designed as such that it mitigates lack of diversification risk by engaging several different managers, each having complementary investment styles.
- e) Any proposed changes to the portfolio are considered through their impact to risk and return.

The Trustee is satisfied that based on its monitoring, the above policies were met over the Plan year. The Trustee is also satisfied that no changes to these policies are required at this time.

2.3 – The Plan's current asset allocation strategy and allowable ranges are set out in the latest SIP and rebalancing decisions are delegated to the IC. The Trustee is satisfied that the portfolio has remained within the Strategic Asset Allocation (SAA) and the rebalancing ranges outlined in this section throughout the Plan year.

In Q1 2024, the SAA was reviewed, updated, and is reflected in the SIP dated March 2024.

SIP Section 3: Day-To-Day Management of the Assets

3 – These paragraphs outline the process for day-to-day management of assets and which party has ownership of these different sections.

3.1-3.2 – The Plan's DB assets are managed by several different managers across different asset classes. The Trustee is satisfied that the managers have suitable performance objectives and are well placed to manage these assets in line with the restrictions set out by the Trustee. The Trustee maintains control over the realisation of these investments. During the year, a number of disinvestments were made to meet the cashflow needs of the Plan and to rebalance the portfolio towards the strategic target.

3.3 – This section considers the relationship and monitoring of the investment managers. The Trustee is satisfied that the monitoring process in place adheres to the measures set out in this section:

- a) Manager performance is monitored at quarterly meetings to check that investment strategy is aligned with the Plan's objectives
- b) The Trustee meets with each of its investment managers on an annual basis to discuss strategy, performance, outlook, objective and environment, social and governance (ESG) considerations
- c) The Trustee has a Watch/Monitor process in place to draw out managers that are not operating or performing in line with expectations
- d) The Trustee's investment adviser provides regular manager updates of any changes with the Funds or Investment managers

As a result of the monitoring process over the Plan year, the Trustee is satisfied with the managers' performance and alignment with the SIP objectives. As a result, the Trustee did not make any changes to the investment managers based on performance or the monitoring process.

3.4 – The Plan's policy on sustainable investment and consideration of ESG factors are outlined in this section. The Plan does not take non-financial factors into account but recognises that ESG factors could present risks and opportunities. The Trustee's policy is to delegate to the investment managers responsibility for the exercise of rights attaching to investments, including voting rights, and

Implementation Statement - DB Section (Cont)

Chevron UK Pension Plan

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engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks, capital structure, conflicts of interest and ESG considerations. Over the Plan year, the Trustee has:

- a) Published the Plan's second Climate Change Report. The report included information on the carbon metrics that the Plan are measuring against and considered how the Covenant strength is also impacted by climate risk.
- b) Discussed with managers as part of the quarterly manager meetings how ESG factors are considered within the portfolio, and how they approach sustainability and stewardship more broadly.
- c) Ahead of preparing the Plan's second Climate Change Report, the IC reviewed the Pensions Regulator's (TPR's) 2024 review of pension scheme climate-related disclosures to ensure the report would be compliant and in line with regulatory expectations.
- d) Over the year, the IC reviewed the Plan's investment beliefs which included three beliefs in relation to ESG. The Trustee agreed that these remained applicable for the Plan.
- e) The UK Stewardship Code is widely adopted by the investment managers of the Plan, either through explicit adoption of the Code or by managing the Plan's assets within the principles of the code. The responses received by the Plan's investment managers were reviewed by the Investment Committee. All of the Plan's voting assets are managed on a passive basis by Northern Trust which is a signatory to the UK Stewardship Code and more information can be found in section 4.
- f) There has been no change to the Trustee's policy in not explicitly taking account of non-financial matters in Plan investments.

SIP Section 4: Compliance with this Statement

4 – The Trustee is satisfied that compliance with the SIP has been achieved over the year. Section 5 of the implementation statement confirms this.

SIP Section 5: Review of this Statement

5 – This section explains that the SIP will be reviewed in response to any material changes and no less than every three years. The Trustee is satisfied that this policy has been adhered to. Please see Section 2 of this document for detail on the changes made to the SIP over the Plan year.

Implementation Statement - DB Section (Cont)

Chevron UK Pension Plan

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Section 4: Voting and engagement

As set out in the SIP, the Trustee has reviewed the stewardship policies of all the managers to ensure they are aligned with the Trustee's views and in the best interests of members. The Trustee delegates the day-to-day ESG integration and stewardship activities (including voting and engagement) to its investment managers but reviews the ESG credentials and policies of the investment managers on an annual basis and will document whether each manager follows a Trustee voting policy and if not, why. Each manager should provide supplementary evidence on their voting policies (where these apply).

It is stated in the SIP that the Trustee's policy is to delegate to the investment managers responsibility for the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks, capital structure, conflicts of interest and ESG considerations. However, the Trustee recognises that the responsibility for these activities remains with the Trustee and therefore review the Investment managers stewardship preferences on an annual basis.

The table below sets out the voting activities of the Plan's investment managers, including any votes cast on the Trustee's behalf and provides detail on the Plan's investment managers' use of proxy voting and examples of votes cast that they deem to be significant. The large majority of the Plan's underlying investment strategies, such as fixed income (where these holdings do not have voting rights attached) or private property (where voting is not applicable), have been excluded from the table below.

Details of these investment managers' use of proxy voting services, to aid in their decision-making when voting, are summarised in the table below:

Plan section	Manager and strategy	Portfolio structure	Voting activity	Most significant votes cast	Use of proxy voting
DB	Northern Trust Asset Management ACWI Global Equity Fund	Separately Managed Account	Votes cast: 42,913 % of eligible votes cast: 99% % of votes with management: 92% % of votes against management: 7% % of votes with no management recommendation/ other: N/A	Significant defined as votes against management.	Partner with the third-party voting provider ISS.

Source: Investment Managers

As discussed, the Trustee delegates voting and engagement to its investment managers. The table below provides further detail on their voting and engagement policies.

Manager	Policy
Northern Trust Asset Management	NTAM partner with EOS at Federated Hermes (EOS) and held more than 3,668 dialogues with companies over a range of stewardship priorities, including climate change; diversity, equity and inclusion; sustainable food and agriculture; and executive compensation. With proxy voting decisions, NTAM also aim to influence the behavior and policies of investees toward more sustainable business practices. Responsible investing advocate ShareAction in its December 2021 <i>Voting Matters 2021</i> report ranked NTAM as the highest scoring U.S. investment manager for proxy voting on environmental and social issues.

Implementation Statement - DB Section (Cont)

Chevron UK Pension Plan

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The following table outlines a number of the most significant votes cast by the Plan's investment managers on the Trustee's behalf over the year for each of the funds outlined above.

Significant votes cast	Coverage in portfolio
<u>Manager: Northern Trust Asset Management</u> <u>(i) Company: Tyson Foods Inc – human rights</u> <u>Meeting date: 8 February 2024</u> Summary of the resolution: Commission Third-Party Audit Assessing Use of Child Labor in Company's Value Chain How the manager voted: NTAM voted FOR the management resolution above and against the company's mandate. Rationale for why it was "significant": NTAM encourage reporting that provides meaningful information to enable shareholders to evaluate the impact of the company's environmental social and governance policies and practices on its financial performance. Outcome: The resolution was not passed, despite NTAM voting for the resolution. <u>(ii) Company: Shell Plc. – climate change</u> <u>Meeting date: 21 May 2024</u> Summary of the resolution: Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement. Management recommended shareholders vote AGAINST this item. How the manager voted: NTAM voted FOR the management resolution above. Rationale for why it was "significant": A vote for this resolution is warranted. NTAM engaged Shell ahead of the AGM to gain a better understanding of their medium-term strategy. Following the removal of their 2035 target, and in line with Shell's assertion their strategy is Paris aligned, NTAM is supporting this resolution to encourage greater disclosure in their approach. Outcome: The resolution was not passed, despite NTAM voting for the resolution. <u>(iii) Company: Walmart Inc. – health and safety</u> <u>Meeting date: 05 June 2024</u> Summary of the resolution: Commission a Third-Party Audit on Workplace Safety and Violence Management recommended shareholders vote AGAINST this item. How the manager voted: NTAM voted FOR the management resolution above. Rationale for why it was "significant": Typically supports requests that the company report on the safety measures regarding the company's facilities, unless the request is overly prescriptive or the company has already addressed. Outcome: The resolution was not passed, despite NTAM voting for the resolution.	Held within NTAM MSCI ACWI IMI Strategy Fund

Implementation Statement - DB Section (Cont)

Chevron UK Pension Plan

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(iv) Company: Toyota Motor Corp. – climate change Meeting date: 18 June 2024 Summary of the resolution: Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement Management recommended shareholders vote AGAINST this item. How the manager voted: NTAM voted FOR the management resolution above. Rationale for why it was “significant”: Northern Trust will generally vote for proposals to publish a company's political or lobbying contributions, taking into consideration recent, significant controversies, fines or litigation regarding the company's political contributions or trade association spending. Outcome: The resolution failed, despite NTAM voting for the resolution. (v) Company: Meta Platforms, Inc. – health and safety Meeting date: 29 May 2024 Summary of the resolution: Report on Child Safety and Harm Reduction. Management recommended shareholders vote AGAINST this item. How the manager voted: NTAM voted FOR the management resolution above. Rationale for why it was “significant”: Additional disclosure would give shareholders more information on how well the company is managing related risks. Outcome: The resolution was not passed, despite NTAM voting for the resolution. (vi) Company: Microsoft Corporation – human rights Meeting date: 10 December 2024 Summary of the resolution: Report on Risks of Operating in Countries with Significant Human Rights Concerns. Management recommended shareholders vote AGAINST this item. How the manager voted: NTAM voted FOR the management resolution above. Rationale for why it was “significant”: While Microsoft has provided disclosures related to its human rights policies, procedures and practices – and some insights to assessments and mitigations with respect to data centres, additional information how management and the board review and make decisions about these operations, the legal and regulatory implications, could help investors understand how associated risks are being managed. Outcome: The resolution was not passed, despite NTAM voting for the resolution. (vii) Company: Wingstop, Inc – climate change Meeting date: 23 May 2024 Summary of the resolution: Report on GHG Emissions Reduction Targets Management recommended shareholders vote AGAINST this item. How the manager voted: NTAM voted FOR the management resolution above. Rationale for why it was “significant”: Northern Trust generally votes for proposals requesting the issuance of corporate sustainability reports, as well as disclosure, where relevant, concerning the emission of greenhouse gasses and the use of fracturing in connection with the extraction of natural gasses. Outcome: The resolution passed.	
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Implementation Statement - DB Section (Cont)

Chevron UK Pension Plan

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Section 5: Summary and conclusions

The Trustee believes that the Plan's engagement policy as outlined in the SIP has been adhered to over the Plan year. Following monitoring of the Plan's investment managers over the year, and reviewing the voting information outlined in this statement, the Trustee is satisfied that managers are acting in the Plan members' best interest and are effective stewards of the Plan's assets. Additionally, we consider that all SIP policies and principles were adhered to over the Plan year.

Implementation Statement - DC Section



Chevron UK Pension Plan

Defined Contribution Section Implementation Statement

**For year ended 31
December 2024**

Implementation Statement - DC Section (Cont)

Chevron UK Pension Plan

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Implementation Statement - DC Section (Cont)

Chevron UK Pension Plan

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Section 1: Introduction

This document is the annual implementation statement (the "Statement") prepared by the Trustee of the Chevron UK Pension Plan (the "Plan") covering the "Plan Year" from 1 January 2024 to 31 December 2024. This statement refers to the Defined Contribution (DC) Section of the Plan. A separate implementation statement covering the Defined Benefit (DB) Section is also available.

The Statement has been prepared under the requirements set out in the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended by the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019) and the guidance published by the Pensions Regulator.

The purpose of this statement is to:

- set out the extent to which, in the opinion of the Trustee, the Plan's DC Statement of Investment Principles ("the DC SIP") required under section 35 of the Pensions Act 1995 has been followed during the year.
- detail any reviews of the DC SIP the Trustee has undertaken, and any changes made to the SIP over the Plan year as a result of the review.
- describe the voting behaviour by, or on behalf of, the Trustee over the year.

The DC SIP and a copy of this Statement can be found on the Chevron UK Pension Plan website linked here: www.chevronukpension.co.uk

In this Statement, references are made to the appendix detailing how voting activities were undertaken by the investment manager appointed by the Trustee.

A copy of this implementation statement is made available in the Trustee's Annual Report at: www.chevronukpension.co.uk

Implementation Statement - DC Section (Cont)

Chevron UK Pension Plan

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Section 2: SIP reviews/changes over the year

The SIP was formally reviewed and updated during the Plan Year. The revised SIP dated May 2024 was the SIP as at the end of the Plan Year on 31 December 2024.

The SIP was effective from 18 April 2024 at which point the changes to the investment strategy described below, were adopted. In addition to the changes to the SIP to reflect the investment changes, the Trustee also included within the SIP its policy on illiquid assets and clarified its approach to monitoring portfolio turnover.

Outline of the changes to the investment strategy

- The introduction of Fidelity's flagship investment option 'FutureWise' as the default investment option for new members.
- Removal of the Fidelity Chevron Equity/Bond Split 50/50 Lifestyle Strategy, Fidelity Chevron Equity/Bond Split 75/25 Lifestyle Strategy and Fidelity Chevron Equity 100 Lifestyle Strategy.
 - Members with holdings in the Core Default Arrangement or one of the other lifestyles within three years of their target retirement date as at 18 April 2024 had their assets transferred to the Fidelity BlackRock Cash Fund.
 - Members with holdings in the Core Default Arrangement or one of the other lifestyles greater than three years from their target retirement date as at 18 April 2024 had their assets transferred to FutureWise.
- To change the name of the Chevron Equity 100 Fund to the Chevron Equity Fund. In addition, to change the underlying investments from the Fidelity BlackRock 30/70 Currency Hedged Global Equity Fund to the L&G All World Global Equity Fund.
- Removal of the Chevron Equity/Bond Split 50/50 Fund and the Chevron Equity/Bond Split 75/25 Fund.
 - Members with holdings in one of these funds on a self-select basis within three years of their target retirement date as at 18 April 2024 had their assets transferred to the Fidelity BlackRock Cash Fund.
 - Members with holdings in one of these funds on a self-select basis greater than three years from their target retirement date as at 18 April 2024 had their assets transferred to FutureWise.
- Removal of the Fidelity BlackRock 30/70 Currency Hedged Global Equity Fund as a self-select option. Members with holdings in this fund on a self-select basis had their assets transferred to the Chevron Equity Fund. The Chevron Equity Fund is classified as a Default arrangement from that point forward.

Implementation Statement - DC Section (Cont)

Chevron UK Pension Plan

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Section 3: Adherence to the SIP

The DC SIP (as referenced in the Annual Report and made available on a publicly available website) comprises the following sections:

- Section 1: Introduction
- Section 2: Plan Elements and Objectives, Investment Objectives, Strategies, Investment Risks and Risk Management
- Section 3: Relationship with Investment Managers

In this statement, we comment on each of these sections and how the Trustee has implemented the principles within each one.

SIP Section 1: Introduction

1 – These paragraphs provide relevant introductory and background comments and information for the DC Section, rather than setting out any policies. It also notes that the Trustee has consulted suitably qualified persons and obtained written advice from Willis Towers Watson on this statement.

This section addresses the fact that this document is exclusively focused on the DC Section, but the Plan does provide both DB and DC benefits, and a separate SIP has been prepared for the DB Section.

SIP Section 2: Plan Elements and Objectives, Investment Objectives, Policy, Strategies, Investment Risks and Risk Management

2.1 - These paragraphs set out the principal responsibilities and investment policy objectives of the Trustee for the DC Section of the Plan.

The Trustee seeks to provide members with a diversified range of investment options of appropriate liquidity which will generate income and capital growth appropriate to the objectives of the particular fund, together with contributions from the members and the Employer, will provide pension savings at retirement with which to purchase benefits or draw from.

To achieve this objective, the Trustee considers different levels of risk tolerance and offers members a number of self-select funds, giving members a diversified choice of options to meet most investment needs and risk/return objectives. The Trustee also implemented Fidelity's Target Date Fund, FutureWise, as the default investment option based on analysis of the membership demographics with the objective of long-term capital growth which aims to provide a sustainable level of income over the long-term for members.

2.2-2.4 – these paragraphs set out the Trustee's objective of providing a range of funds to provide liquidity and capital growth.

The Trustee is satisfied that, based on its monitoring (as described in the paragraph entitled 'Investment monitoring' below), the objectives as set out in this section of the SIP have been met and that the selected managers have performed in line with these objectives.

The Trustee believes that no changes were required to the objectives during the year.

Implementation Statement - DC Section (Cont)

Chevron UK Pension Plan

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Investment monitoring

In order to monitor the investment options, the Trustee receives quarterly investment monitoring reports from its investment consultant and discusses these at quarterly Trustee Investment Committee (IC) meetings. The Trustee also receives ad-hoc communications when a significant change occurs with Fidelity's DC investment platform provider or for the underlying investment managers.

Investment risks

This section of the DC SIP also provides an overview of the broad range of risks recognised by the Trustee which could ultimately lead to members accumulating insufficient assets to finance their desired level of spending in retirement:

Inflation risk – The use of equity and diversified growth funds are expected to deliver above-inflation investment returns over the medium to long term. Over the shorter term (less than three years), the Trustee acknowledges that the investment return in some funds (such as the Fidelity BlackRock Cash Fund) may not cover the inflation risk, but shorter-term considerations focus on mitigation of other risks (see below).

Decumulation Mis-match risk – the Trustee has implemented a Target Date Fund strategy that seeks to reduce the investment risks that members are exposed to in the years approaching retirement. The Target Date Funds target a sustainable level of income in retirement, more aligned with members planning to take drawdown at retirement. Whilst most members currently use their DC savings as cash at retirement, the Trustee recognised that such a significant allocation to cash at retirement reduces member's opportunity for return, and general market practice has moved away from the approach of targeting a significant allocation to cash at retirement. In making this change the Trustee has taken account of analysis by its investment adviser that increasing the proportion of assets retained in equities during the decumulation phase can lead to the potential for better long-term returns whilst not introducing excessive long term investment risk. However, it was recognised that for those close to retirement there is more limited time for recovery from market shocks, and hence those lifestyle strategy investors within three years of retirement were transferred to the Fidelity BlackRock Cash Fund. The Trustee also communicated to members that they should carefully consider their investment approach as they move towards their intended retirement date.

Opportunity cost risk – The Trustee considered potential member outcomes based on a number of glidepath designs when conducting the investment strategy review and selecting FutureWise as the default investment option. This included both projecting pot sizes to retirement whilst also considering the level and timing of the risks taken by members of the Plan.

Capital Risk – This is considered over the medium-term (over three years) to enable short-term volatility to be smoothed. In this context, the use of equity and diversified assets is considered appropriate.

The Trustee is satisfied that these risks have been appropriately mitigated during the Plan Year. As part of its investment review, the Trustee considered the risks identified in the DC SIP and how these would be mitigated by the use of FutureWise, or the Fidelity BlackRock Cash Fund.

2.5-2.6 The self-select fund range is predominately passively managed. The fund manager's ability as a manager of index tracking funds was considered as part of the most recent investment strategy review. The Trustee reviews fund manager performance on a regular basis and will raise and investigate any significant tracking deviations if they occur.

FutureWise invests predominantly in actively managed investments and is monitored against its respective comparator on a quarterly basis. As Fidelity's flagship investment option, Fidelity will also

Implementation Statement - DC Section (Cont)

Chevron UK Pension Plan

conduct ongoing investment governance of the strategic asset allocation of the investments.

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The investments are invested in funds which can be readily realized in the event of a member's retirement or transfer. In selecting FutureWise, the Trustee noted Fidelity's intention to increase exposure to private market investments in future, with specific actions being taken by Fidelity to ensure that appropriate liquidity is retained within FutureWise. Further detail is provided in 2.8 below.

2.7 Fidelity is a signatory to the UK Stewardship Code and reports annually on its stewardship activities, covering multiple different principles, including those areas of particular interest to the Trustee, such as inclusion and diversity, human rights, health, and safety. Fidelity leaves the voting rights in relation to the Plan's assets in the hands of the underlying managers used by the Trustee on its investment platform but engages with them regularly and monitors its engagement and voting policy. The Appendix contains information on voting rights for the Plan's managers in 2024.

2.8 The Trustee has set out in the SIP its policy towards investing in illiquid assets for DC Section assets. The current self-select fund range does not include direct investment in illiquid assets. It is expected that Fidelity's FutureWise option will increase its underlying allocation to private markets via investment in its long-term asset fund. These strategic decisions around asset allocation of Fidelity's FutureWise option are delegated to the investment manager, but the Trustee will keep these under review and could change the default investment option in the future if it was determined the default investment option ceased to be invested in a suitable way for the membership of the Plan.

SIP Section 3: Relationship with Investment Managers

The Trustee has delegated responsibility for the selection, retention, and realisation of investments to the underlying investment managers for its investment portfolios on Fidelity's DC investment platform. The Trustee takes professional advice from the Plan's advisers, receives investment performance monitoring reports at each IC meeting and, where appropriate, challenges the reporting with regard to policy or performance.

The Trustee acknowledges that the Plan's investments are in pooled funds delivered via Fidelity's bundled platform, therefore the level of direct influence that the Trustee can have over the fund managers is somewhat limited. As such, the Trustee takes a pragmatic approach to stewardship. This is reflected in the SIP.

Compliance with SIP

This section is a matter of fact. The Plan's investment adviser continues to supply the Trustee with information on a quarterly basis, to enable it to review the activity of the asset managers in the following areas:

- the objectives of each fund.
- performance against each objective.

The Trustee also regularly receives full valuation of assets in the DC Section and details of member investment choices.

Within its investment strategy review in 2023, the Trustee also considered the risk profile of each fund relative to the objectives identified in the DC SIP, and the merits of each fund relative to the performance objectives set out in the DC SIP. The investment objectives set out in the DC SIP were considered as part of the 2023 review.

Review of the DC SIP

This section explains that the DC SIP will be reviewed in response to any material changes and no less than every three years. The Trustee is satisfied that this policy has been adhered to as the revised SIP was adopted in 2024 as described above as part of the investment changes. Please see Section 2 of this document for detail on the changes made to the DC SIP over the Plan Year.

Implementation Statement - DC Section (Cont)

Chevron UK Pension Plan

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Section 4: Summary and conclusions

The Trustee considers that all DC SIP policies and principles were adhered to over the Plan Year.

Implementation Statement - DC Section (Cont)

Chevron UK Pension Plan

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Appendix: Trustee engagement activity

The Trustee periodically engages with Fidelity, as the platform provider, to oversee its investment management and administration services and the application of its Ethical, Social and Governance (ESG) policy for the Plan's DC Section. The Trustee accesses a range of funds managed primarily by BlackRock on the Fidelity investment platform and leaves the voting rights in the hands of the third-party investment managers for the investment portfolios held. However, Fidelity engages robustly with the third-party managers, including challenging and influencing their voting decisions if it feels that this is appropriate.

The table below sets out the most up-to-date information available on BlackRock's engagement activity for the investment portfolios that are primarily used by Plan members in the DC Section. Specifically, we have provided voting information in respect of all equity-containing funds as at 31 December 2024. Given a number of these (marked * in the table below) form part of the DC Section's blended funds (and therefore the DC Section's lifestyle strategies), the below table effectively covers all relevant voting information.

Manager and strategy	Voting activity	Notable significant votes cast
Fidelity FutureWise Early Days Aggregate (2035 and longer vintages)	Votes cast: 18,731. % of eligible votes cast: 93% % of votes with management: 97% % of votes against management: 2% % of votes with no management recommendation/other: 1%	The Walt Disney Company: In April 2024, BlackRock voted FOR the election of management director nominees and AGAINST the election of dissident director nominees (voting FOR the Board recommendation). BlackRock voted in support of management's recommended slate of directors as in their view the Disney board and management have taken steps to restore investor confidence, have been responsive to shareholders and have demonstrated progress in implementing the company's revised strategy. BlackRock determined that the directors proposed by management are best placed to oversee the implementation of the revised strategy and make any necessary governance changes. BlackRock voted AGAINST six shareholder proposals (voting FOR the Board recommendation). BlackRock considered these shareholder proposals were largely redundant given the company's existing practices and disclosure.

Implementation Statement - DC Section (Cont)

Chevron UK Pension Plan		9
Fidelity FutureWise 2025 & Retirement Aggregator	Votes cast: 14,767. % of eligible votes cast: 92% % of votes with management: 96% % of votes against management: 3% % of votes with no management recommendation/other: 1%	Tesla, Inc.: In June 2024, BlackRock voted AGAINST the election of Director James Murdoch (voting AGAINST the Board recommendation). BlackRock did not support the election of Director James Murdoch, who is a member of the board's Nominating and Corporate Governance Committee, to convey their concerns regarding the board's decision-making process, independence, and ability to oversee management. Blackrock voted FOR the management proposal to change the State of Incorporation from Delaware to Texas (voting FOR the Board recommendation). While BlackRock has concerns with the Board's decision-making process, they were satisfied that a re-domestication to Texas would not impair shareholders' rights.
Fidelity FutureWise 2030	Votes cast: 15,176. % of eligible votes cast: 92% % of votes with management: 96% % of votes against management: 3% % of votes with no management recommendation/other: 1%	BlackRock voted FOR the re-ratification of Elon Musk's 2018 Performance Award (voting FOR the Board recommendation). BlackRock recognises that Mr. Musk and Tesla have achieved all the relevant performance milestones, creating substantial value for shareholders. BlackRock voted FOR the Shareholder proposals regarding declassifying the Board and adopting a simple majority vote (voting AGAINST the Board recommendation). In line with BlackRock's U.S. proxy voting guidelines, they support these proposals as these provisions enhance and protect the interests of long-term shareholders, including BlackRock's clients. BlackRock voted FOR the Shareholder proposal regarding reporting on harassment and discrimination prevention efforts (voting AGAINST the Board recommendation). BIS supported the shareholder proposal because, in their view, greater disclosures on this issue, which they deem as material to the long-term financial interests of shareholders, would help investors better assess risks at the company.
Fidelity BlackRock 30:70 Global Equity Currency Hedged Fund	Votes cast: 54,598. % of eligible votes cast: 97% % of votes with management: 92% % of votes against management: 7% % of votes with no management recommendation/other: 1%	BlackRock voted AGAINST the Shareholder proposal regarding adopting a non-interference policy respecting freedom of association (voting FOR the Board recommendation). BlackRock did not support this shareholder proposal because, while Tesla continues to face material risks in relation to its approach to human capital management, the company already has policies in place that address the specific request made.

Implementation Statement - DC Section (Cont)

Chevron UK Pension Plan		10
Fidelity BlackRock (World ex-UK) Equity Index Fund	Votes cast: 22,011. % of eligible votes cast: 94% % of votes with management: 89% % of votes against management: 5% % of votes with no management recommendation/other: 6%	Temenos AG: In May 2024, BlackRock voted AGAINST the consultative vote on the 2023 Compensation Report (voting AGAINST the Board recommendation). BlackRock did not support Temenos' executive remuneration policy, because, in its view, the proposed remuneration structure and disclosures lacked sufficient detail as to how it aligns with the long-term financial of interests of minority shareholders, including BlackRock's clients.
Fidelity BlackRock Consensus Fund	Votes cast: 58,546. % of eligible votes cast: 99% % of votes with management: 91% % of votes against management: 7% % of votes with no management recommendation/other: 2%	

Implementation Statement - DC Section (Cont)

Chevron UK Pension Plan	11
Chevron Equity Fund (L&G All World Global Equity Fund)	Votes cast: 64,343. % of eligible votes cast: 99.8% % of votes with management: 80% % of votes against management: 19% % of votes with no management recommendation/other: 1% Apple Inc. In February 2024, LGIM voted AGAINST a shareholder resolution requesting a report on risks of omitting viewpoint and ideological diversity from EEO Policy (voting FOR the Board recommendation). LGIM voted against this proposal as the company appears to be providing shareholders with sufficient disclosures around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.
Fidelity BlackRock UK Equity Index Fund	Votes cast: 13,751. % of eligible votes cast: 97% % of votes with management: 94% % of votes against management: 3% % of votes with no management recommendation/other: 3% Shell plc: In May 2024, BlackRock voted FOR the approval of the Shell Energy Transition Strategy (voting FOR the Board recommendation). BlackRock voted in support of management's recommendation as in its view Shell has provided and continues to provide a clear assessment of its plans to manage material climate-related risks and opportunities and continues to demonstrate progress against its Energy Transition Strategy BlackRock voted AGAINST the resolution to advise Shell to align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement (voting FOR the Board recommendation). BlackRock did not support this shareholder proposal because, in its view, the proposal is overly prescriptive. It is the role of company leadership to set and implement the company's strategy. Support of this proposal would contradict the Energy Transition Strategy 2024 that has been put forward by the board and management team.

Implementation Statement - DC Section (Cont)

Chevron UK Pension Plan		13
LGIM MSCI ACWI Adaptive Capped ESG Index Fund	Votes cast: 35,802. % of eligible votes cast: 99.7% % of votes with management: 78% % of votes against management: 20% % of votes with no management recommendation/other: 2%	Broadcom Inc: In April 2024, LGIM voted AGAINST the resolution to elect director Henry Samueli (voting AGAINST the Board recommendation). LGIM voted AGAINST as the company is deemed to not meet minimum standards with regard to climate risk management.

Implementation Statement - DC Section (Cont)

Chevron UK Pension Plan		12
Fidelity BlackRock Emerging Markets Fund	Votes cast: 22,750. % of eligible votes cast: 99% % of votes with management: 88% % of votes against management: 11% % of votes with no management recommendation/other: 1%	CSPC Pharmaceutical Group Limited: In May 2024, BlackRock voted AGAINST the resolution to re-elect Mr. CAI Dongchen as an executive director (voting AGAINST the Board recommendation). BlackRock did not support the re-election of CSPC's Chairman, who also chairs the board's Nomination Committee, due to concerns about board independence. BlackRock voted AGAINST the resolution to grant a mandate to the Directors to grant options under the Share Option Scheme of the Company (voting AGAINST the Board recommendation). BlackRock did not support the management-proposed share option scheme as, in BlackRock's assessment, it is not aligned with long-term financial value creation for shareholders.
Fidelity HSBC UCITS Islamic Global Equity Fund	Votes cast: 1,579. % of eligible votes cast: 94% % of votes with management: 77% % of votes against management: 22% % of votes with no management recommendation/other: 1%	Apple Inc: In February 2024, HSBC voted FOR a Board resolution (voting AGAINST the management recommendation) in respect of a report on median gender/racial pay gap. HSBC believes that the proposal would contribute to improving gender inequality. HSBC will likely vote against a similar proposal should they see insufficient improvements.

Annual statement regarding governance of DC benefits

Chevron UK Pension Plan

Annual statement regarding governance of DC benefits: 2024 Governance Year

June 2025

1 Introduction

This statement has been prepared by the trustee of the Chevron UK Pension Plan (the "Plan"), Chevron UK Pension Trustee Limited (the "Trustee") in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations (the "Administration Regulations") 1996 (as amended). It describes how the Trustee has met the statutory governance standards applicable to defined contribution ("DC") benefits in relation to:

- the default arrangement(s)
- requirements for processing financial transactions
- assessment of member-borne charges and transaction costs
- the requirement for trustee knowledge and understanding

between 1 January 2024 and 31 December 2024 (the "2024 Governance Year").

2 Default arrangements

The following arrangements are classified as "default arrangements" within the Plan for the purposes of the Administration Regulations:

- Fidelity FutureWise Target Date Funds (the "Core Default Arrangement")
- Fidelity Blackrock Cash Fund
- Fidelity Chevron Equity Fund
- Fidelity BlackRock World (ex-UK) Equity Index Fund
- Fidelity Blackrock UK Equity Index Fund
- Fidelity Blackrock Over 15 Years UK Gilt Index Fund
- Fidelity Chevron Equity/Bond Split 50/50 Lifestyle Strategy*
- Fidelity Blackrock Equity/Bond Split 75/25 Fund*

Together referred to in this statement as the "Default Arrangements".

The list above includes all "default arrangements" in which assets relating to members were invested during the 2024 Governance Year. Those marked * were removed as fund options within the Plan in the 2024 Governance Year (such that these arrangements no longer held assets relating to the Plan by the end of the

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Annual statement regarding governance of DC benefits (Cont)

2024 Governance Year) in line with the decisions the Trustee took in the 2023 Governance Year (see Section 2.1 below for further detail).

The remaining Default Arrangements listed above are so classified for the following reasons:

- The Core Default Arrangement is the arrangement that contributions in respect of the DC Element of New Section members of the Plan are paid into if a member does not make an alternative choice. In addition, members who held investments in one of the three lifestyle designs (ie the Fidelity Chevron Equity/Bond Split 50/50 Lifestyle Strategy, the Fidelity Chevron Equity/Bond Split 75/25 Lifestyle Strategy or the Fidelity Chevron Equity 100 Lifestyle Strategy), or in the Chevron Equity/Bond Split 50/50 Fund or Chevron Equity/Bond Split 75/25 Fund held on a self-select basis and who were more than three years away from retirement were transferred to the new Core Default Arrangement as part of implementing the 2023 decisions.
- Members who held investments in one of the previous three lifestyle designs (ie the Fidelity Chevron Equity/Bond Split 50/50 Lifestyle Strategy, the Fidelity Chevron Equity/Bond Split 75/25 Lifestyle Strategy or the Fidelity Chevron Equity 100 Lifestyle Strategy), the Chevron Equity/Bond Split 50/50 Fund or Chevron Equity/Bond Split 75/25 Fund held on a self-select basis and were within three years of retirement were transferred to the Fidelity BlackRock Cash Fund as part of implementing the 2023 decisions.
- Members who held assets in the BlackRock 30:70 Currency Hedged Global Equity Fund (a fund previously available on a self-select basis) had their assets transferred to the Fidelity Chevron Equity Fund (which was previously known as the Chevron Equity 100 Fund) without member consent as part of implementing the 2023 decisions.
- Members who previously chose to invest in four regional equity funds were mapped to the Fidelity BlackRock World (ex-UK) Equity Index Fund by the Trustee as part of the fund consolidation exercise in 2016.
- Members who previously held additional voluntary contribution (AVC) assets with Utmost Life and Pensions (held as part of Equitable Life prior to the implementation of its Guarantee Exchange Scheme effective on 1 January 2020) were mapped into the Fidelity BlackRock UK Equity Index Fund, the Fidelity BlackRock Equity/Bond Split 75/25 Fund, and the Fidelity BlackRock Over 15 Years UK Gilt Index Fund as part of an AVC consolidation exercise which took place during 2020.

Aims and Objectives of the Default Arrangements

The aims and objectives of the Core Default Arrangement are to provide long term capital growth that gradually changes to a more conservative risk profile (compared to the growth phase) towards retirement. This is achieved by investing 100% in global equities when members are far from retirement, then as members approach retirement (approximately between 8 -12 years from retirement), the allocation to equities is reduced and the allocation to fixed income assets is increased with the objective of diversifying the asset allocation to help smooth investment returns as members approach their retirement date. Up to and past the fund's target date, the target date funds aim to generate a sustainable level of income over the long-term.

The aims and objectives of the Fidelity BlackRock Cash Fund are to provide a secure investment option for members who wish to take a low level of investment risk.

The Fidelity Chevron Equity Fund's aim is to track the performance of the FTSE All-World Index. This is a passively managed fund which means it tracks a market index, investing in the same companies that make up the index. The fund is 50% GBP hedged, which means that currency hedges back to sterling for 50% of the fund.

The Fidelity BlackRock World (ex-UK) Equity Index Fund invests in shares of overseas companies (Europe ex UK, Japan, Pacific Rim, US and Canadian markets) according to market capitalisation weightings and aims to produce a return in line with its benchmark, which is the FTSE All-World Developed ex UK Index. The aims and objectives of this Fund are to provide members with an equity-based investment option that meets their risk and return requirements and to give members the freedom to structure their own investment portfolio from the range of different asset classes that are made available.

Annual statement regarding governance of DC benefits (Cont)

The Fidelity Blackrock UK Equity Index Fund invests in shares of UK companies and aims to produce a return in line with the FTSE All Share Index. The objective of the Fund is to provide an equity-based investment option giving investors UK investment exposure.

The Fidelity Blackrock Over 15 Years UK Gilt Index Fund is designed to provide members with a lower risk investment option that also provides protection against inflation. It does this by tracking the performance of the FTSE Actuaries UK Conventional Gilts Over 15 Years Index. A key aim of this fund is to provide some protection against movements in the cost of purchasing an annuity, by tracking the movement in annuity prices.

2.1 Review of the Default Arrangements

Last review

During the 2023 Governance Year, the Trustee completed a review of the default arrangements, other lifestyle options and self-select fund range, in conjunction with their investment advisers Towers Watson Limited. The review was carried out in two stages:

- At its meeting on 27 September 2023, the Trustee considered the demographics of the membership to establish the risk tolerance, objectives and aims of the membership. The Trustee also considered the relevant findings of the membership survey relevant to Sustainable Investing.
- At its meeting on 30 November 2023, the Trustee then considered the expected risk and potential return of different investment strategies for members.

Outcome of the review

The review found that whilst many members target using their DC savings as cash at retirement, they also have a high tolerance to take risk given their defined benefit (DB) rights in the Plan. In addition, an increasing number of members are likely to use their DC savings to draw an income in retirement (called 'income drawdown') or to take a series of cash payments as the size of their accounts relative to their DB savings grows.

The Trustee, having taken advice from its investment adviser, decided to make the below changes for members. These changes were implemented between 18 April 2024 and 22 April 2024.

The Trustee determined to introduce a new 'core default arrangement' that could be invested to aim for greater growth over time which might lead to better outcomes for members over the long term in terms of accumulating larger pots at retirement (although the outcomes cannot be guaranteed). The following changes were made:

- The introduction of Fidelity's flagship investment option 'FutureWise' as the new Core Default Arrangement and default fund for new members with effect from 18 April 2024. The Trustee considers that the risk and reward profile of the FutureWise design will lead to better outcomes for members at retirement, and there are other advantages of using Fidelity's flagship offering such as enhanced investment governance and ability to access different types of investments (such as illiquid assets) due to benefits of scale. See the information box below for a further explanation of FutureWise and illiquid investments.
- Removal of the Fidelity Chevron Equity/Bond Split 50/50 Lifestyle Strategy (the previous core default arrangement), the Fidelity Chevron Equity/Bond Split 75/25 Lifestyle Strategy and the Fidelity Chevron Equity 100 Lifestyle Strategy.
 - Members with holdings in the previous core default arrangement or one of the other lifestyles within three years of their target retirement date as at 18 April 2024 had the assets invested in their respective lifestyle strategy transferred to the Fidelity BlackRock Cash Fund. The Trustee decided this approach for members close to retirement as these members already held a significant allocation to cash, and moving these to FutureWise would have significantly increased the risk profile of their investments.

Annual statement regarding governance of DC benefits (Cont)

- Members with holdings in the previous core default arrangement or one of the other lifestyles greater than three years from their target retirement date as at 18 April 2024 had their assets invested in their respective lifestyle strategy transferred to FutureWise.
- To change the name of the Chevron Equity 100 Fund to the Fidelity Chevron Equity Fund with effect from 18 April 2024. In addition, to change the underlying investments in the Fidelity Chevron Equity Fund from the Fidelity BlackRock 30/70 Currency Hedged Global Equity Fund to the L&G All World Global Equity Fund. The key difference between these funds is that the All-World Global Equity funds invest in global stock markets taking account of the relative size of each market. The 30/70 Fund invested 30% in the UK and 70% in overseas stock markets. In the Fidelity Chevron Equity Fund, 50% of the investments will have an underlying 'currency hedge' to offer some protection against the impact of currency market changes.
- Removal of the Chevron Equity/Bond Split 50/50 Fund and the Chevron Equity/Bond Split 75/25 Fund. These were core components of the lifestyle strategies that are being removed.
 - Members with holdings in one of these funds on a self-select basis within three years of their target retirement date as at 18 April 2024 had their assets invested in their respective fund transferred to the Fidelity BlackRock Cash Fund.
 - Members with holdings in one of these funds on a self-select basis greater than three years from their target retirement date as at 18 April 2024 had their assets invested in their respective fund transferred to FutureWise.
- Removal of the Fidelity BlackRock 30/70 Currency Hedged Global Equity Fund as a self-select option. Members with holdings in this fund on a self-select basis will have their assets transferred to the Fidelity Chevron Equity Fund. The Fidelity Chevron Equity Fund is subsequently classified as a Default

FutureWise

FutureWise is a series of 'target date funds', where the types of investments held are managed by Fidelity to target higher growth in the early years and maintain a balance of growth and risk management as you approach retirement. Each fund has a target date at which it will hold a mix of investments aimed at maximising your account value at that date without taking undue risk. You can find out more about FutureWise at <https://retirement.fidelity.co.uk/grow-and-manage-your-pension/together-we-can-be-more-futurewise/?p=0&c=10>

Illiquid investments

These are investments that are not publicly traded and so they can take longer to buy or sell, but the benefit of this is their potential for better long term investment return. Fidelity will manage any holding in illiquid investments with a view to ensuring that they can be bought and sold at the appropriate time.

arrangement.

In advance of implementing the 2023 decisions, FutureWise was added to the available fund range as a self-select option which could be chosen by members if they wished to move, or if they wished to invest in this fund as opposed to the proposed mapping detailed above (where relevant).

The component design of the glidepath of FutureWise is delegated to Fidelity but reviewed on an ongoing basis by the Trustee to ensure that it remains appropriate for the membership of the Plan as a whole. Fidelity will make decisions it thinks are in the best interest of members generally over the long term. During the 2024 Governance Year, Fidelity announced a change in their approach to investing during the early years of FutureWise target date funds. Over the course of 2025, the funds will gradually increase their allocation to private markets. Fidelity believes that, in making this change, members will benefit from potentially better investment returns in the long-term, and the allocation to private markets will add diversification to the profile of the investments. However, investing in private markets is more expensive than traditional markets. Members around 20 years, or more, from their target retirement age, will see a gradual increase in charges for accessing their funds as the allocation to private markets increases. Once the changes have been fully implemented, the charges applying to the FutureWise funds will vary between

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0.27% pa and 0.42% pa. Members who are further from retirement will have a larger allocation to private markets and as such will be subject to the higher charges within this range.

Environmental, Social and Governance (ESG) investment strategy

Fidelity has its own views on ESG investing. The Trustee considered the inclusion of ESG investments in the FutureWise design when reviewing and agreeing the investment changes and are comfortable with Fidelity's approach. FutureWise has integrated carbon targets across equity and fixed interest components, throughout the glidepath.

In 2022, following a survey of the Plan's membership, the Trustee introduced the LGIM MSCI ACWI Adaptive Capped ESG Index fund to the portfolio as a self-select fund option. Since its introduction there has been very little take up of the ESG option by members. The Trustee reviewed the performance of the fund and determined that this should remain in the portfolio as a self-select option despite the low take up to date.

Next review

The next formal review of the Default Arrangements will commence in 2026 at the latest.

2.2 Statement of investment principles

Appended to this statement is a copy of the Plan's latest defined contribution statement of investment principles (which was adopted in May 2024) governing decisions about investments for the purposes of the Default Arrangements, prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 (the "Statement of Investment Principles"). The Statement of Investment Principles was adopted during the 2024 Governance Year and reflects the changes to the Core Default Arrangement as well as other changes detailed above.

In addition, the Trustee also included its policy on investing in illiquid assets, which was a new requirement for Statement of Investments Principles adopted after 1 October 2023.

2.3 Asset Allocation of Default Arrangements

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 ("the 2023 Regulations") introduced new requirements for trustees and managers of certain occupational pension schemes. For the first scheme year that ends after 1 October 2023, trustees or managers of relevant occupational pension schemes, are required to disclose their full asset allocations of investments from their default arrangements.

The table below sets out the asset allocation to the percentage of assets allocated to each of the following asset classes in each default arrangement:

- a. cash
- b. bonds creating or acknowledging indebtedness, issued by a company or issued by His Majesty's Government in the United Kingdom or issued by the government of any country or territory other than the United Kingdom
- c. listed equities - shares listed on a recognised stock exchange.
- d. private equity (that could include venture capital and growth equity) - shares which are not listed on a recognised stock exchange.
- e. infrastructure - physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons.
- f. property/real estate - property which does not fall within the description in paragraph (e)

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g. private debt/credit - instruments creating or acknowledging indebtedness which do not fall within the description in paragraph (b)

h. other - any other assets which do not fall within the descriptions in paragraphs (a) to (g).

Given the Core Default Arrangement changed over the course of the 2024 Governance Year, investments shown below are for FutureWise and assume a member was invested in this fund for the entire 2024 Governance Year. These are shown at different points during a member's savings journey, being age 25, age 45, age 55 and 1 day prior to State Pension Age ('SPA').

Fidelity FutureWise				
Asset class	Allocation - 25 y/o	Allocation - 45 y/o	Allocation - 55 y/o	Allocation - 1 day prior to SPA
Cash	0%	0%	0%	0%
Bonds	0%	0%	0%	68%
Listed equities	100%	100%	100%	32%
Private equities	0%	0%	0%	0%
Infrastructure	0%	0%	0%	0%
Property/Real estate	0%	0%	0%	0%
Private debt/credit	0%	0%	0%	0%
Other	0%	0%	0%	0%
Total	100%	100%	100%	100%

For completeness, we show below the asset allocation for a member invested in the Chevron Equity/Bond Split 50/50 Lifestyle Strategy, which was the previous core default arrangement prior to 18 April 2024.

Fidelity Chevron Equity/Bond Split 50/50 Lifestyle Strategy				
Asset class	Allocation - 25 y/o	Allocation - 45 y/o	Allocation - 55 y/o	Allocation - 1 day prior to SPA
Cash	0%	0%	0%	100%
Bonds	50%	50%	50%	0%
Listed equities	50%	50%	50%	0%
Private equities	0%	0%	0%	0%
Infrastructure	0%	0%	0%	0%
Property/Real estate	0%	0%	0%	0%
Private debt/credit	0%	0%	0%	0%
Other	0%	0%	0%	0%
Total	100%	100%	100%	100%

The other default arrangements do not include automatic de-risking and, as such, remain static in terms of asset allocations regardless of a member's term to retirement. The asset allocations are shown in the table below. Funds marked * are no longer available as fund options within the Plan in the 2024 Governance Year (and these arrangements no longer held assets relating to the Plan by the end of the 2024 Governance Year as explained in Section 2.1 above).

Asset class	Fidelity BlackRock World (ex-UK) Equity Index Fund	Fidelity BlackRock UK Equity Index Fund	Fidelity Chevron Equity Fund	Fidelity BlackRock Over 15 Years UK Gilt Index Fund	Fidelity BlackRock Cash Fund	Fidelity BlackRock Equity / Bond Split 75/25 Fund*
Cash	0	0	0	0	100	0
Bonds	0	0	0	100	0	25

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Listed equities	100	100	100	0	0	75
Private equities	0	0	0	0	0	0
Infrastructure	0	0	0	0	0	0
Property/Real estate	0	0	0	0	0	0
Private debt/credit	0	0	0	0	0	0
Other	0	0	0	0	0	0

3 Requirements for processing financial transactions

"Core financial transactions" include (but are not limited to):

- investment of contributions in the Plan
- transfers of assets relating to members into and out of the Plan
- transfers of assets relating to members between different investments within the Plan
- payments from the Plan to, or in respect of, members.

During the 2024 Governance Year, the Trustee secured that "core financial transactions" were processed promptly and accurately by ensuring that its providers were required to process transactions in this way and by monitoring its providers' compliance with these obligations.

Plan administrator

Barnett Waddingham is the main Plan administrator and provides overarching administration services in relation to the Plan. Barnett Waddingham work closely with Fidelity, the Plan's DC administrator and investment platform provider, in respect of the New Section of the Plan, ensuring that monthly contributions are reconciled and invested in a timely manner, settling DC benefits as required in tandem with DB rights in the Plan and paying combined transfer values.

Monitoring of providers' processes

The Trustee has implemented ways of ensuring that its providers process core financial transactions promptly and accurately. The first way is the "Monthly Contribution Process" designed and implemented on behalf of the Trustee and the second way is via service level agreements (SLAs).

The Trustee has also obtained and reviewed the most up to date assurance report on internal controls (AAF report) from both Barnett Waddingham and Fidelity. These AAF reports confirm that there are internal controls in place relating to the processing of core financial transactions. The AAF reports do not raise any issues for the Trustee in this regard.

Monthly Contribution Process

The Trustee monitors compliance with the agreed Monthly Contribution Process. This is a step-by-step process which intends to ensure prompt and accurate end-to-end interactions regarding receipt and investment of contributions between the Employer, Barnett Waddingham and Fidelity.

The Trustee has agreed the Monthly Contribution Process with its providers in order to ensure and monitor timely and accurate investment of the contributions on a monthly basis. Barnett Waddingham and Fidelity have confirmed that they have complied with all applicable steps of the Monthly Contribution Process in the 2024 Governance Year.

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Quarterly administration reports and SLAs

The Trustee also monitors (via quarterly administration reports) the reporting by Barnett Waddingham and Fidelity, including task performance against SLAs to check whether core financial transactions were accurate, up to date, completed within applicable statutory timescales and within the agreed SLAs. The administration reports cover performance against the SLAs and the extent to which any deadlines have been breached. The Trustee is satisfied that the SLAs in place with Barnett Waddingham and Fidelity (as appropriate to the tasks each performs), taken together cover the accuracy and timeliness all core financial transactions.

The contractually agreed SLAs with Barnett Waddingham cover a range of pension scheme administration tasks including general administration (such as ensuring Employer contributions are paid to the Plan on a timely basis and reconciling these contributions), member transactions (such as maintaining records for members paying contributions and arranging transfers-out of the Plan on request), regular updates (such as validating data from a payroll file and processing contribution allocations and arranging payment to the investment managers), producing benefit statements and disinvesting DC assets in certain circumstances.

During the 2024 Governance Year, Barnett Waddingham's overall SLA performance was between 86-94% (save >95% for contribution management and events/projects) and there were no reportable DC-related issues.

The Trustee does not have contractually agreed SLAs in place with Fidelity, however Fidelity utilises and adheres to internally agreed SLAs. These internally agreed SLAs are reflected in Fidelity's quarterly administration reports which cover the accuracy and timeliness of all core financial transactions performed by Fidelity. The quarterly administration reports cover a range of tasks including contributions, retirement and benefits, transfers in and transfers out. Throughout the 2024 Governance Year, Fidelity's overall SLA average was 100% and there were no reportable issues.

The performance of Barnett Waddingham and Fidelity is reviewed annually. Additionally, SLA performance in relation to the processing of transfers is monitored as part of the monthly statistics / billing process and this did not reveal any issues.

Processes to ensure core financial transactions are processed promptly and accurately

Barnett Waddingham and Fidelity have a number of processes in place to ensure that core financial transactions are processed promptly and accurately and in accordance with the relevant SLAs and Monthly Contribution Process. These include:

- Fidelity monitoring the relevant bank account four times daily and having a dedicated contribution processing team.
- For all operational unautomated processes Fidelity having a "four-eyes" checking process in place, including dealing with investments.
- Barnett Waddingham's administration team monitoring the relevant bank account and investments/disinvestments.
- All of Barnett Waddingham's processes being subject to checking. If the process involves a benefit payment, other payment or investment / disinvestment then the payment is authorised by a senior member of the team (this is not the same person who reviews the process).
- Barnett Waddingham's internal controls Cashstream transactions being reconciled against the accounting system by the accounts team at least monthly, following receipt of the bank statement. The team investigates any differences and the reconciliation process continues until the team is able to establish a cleared balance on the accounting system equal to that on the bank statement. In addition to this a monthly forecast is also completed by the administration team to ensure sufficient funds remain in the account to meet the Plan's future obligations.

The Trustee is satisfied that overall, the above processes ensured that core financial transactions were processed promptly and accurately during the 2024 Governance Year.

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4 Assessment of member-borne charges and transaction costs

4.1 Level of member-borne charges and transaction costs

In accordance with regulation 25(1)(a) of the Administration Regulations, the Trustee calculated the "charges" and, so far as they were able to do so, the "transaction costs", borne by members of the Plan for the 2024 Governance Year.

For these purposes:

- "charges" means, broadly, administration charges other than:
 - "transaction costs";
 - costs the court determines trustees can recover;
 - certain pension sharing on divorce costs;
 - "winding-up costs"; and
 - costs solely associated with the provision of death benefits.
- "transaction costs" means the costs incurred as a result of the buying, selling, lending or borrowing of investments. Transactions can have a positive or negative effect on each fund and hence transaction costs can be positive or negative. For example, if the transaction involves a net inflow of assets into a particular fund, this can sometimes have a positive effect on the price of each unit in the fund. The reverse can also be true.
- "winding up costs" means the costs of winding up a pension scheme including (but not limited to) the cost of:
 - legal advice
 - tracing, consulting and communicating with members
 - advice on exiting investments
 - selection of an alternative scheme or investments.

The "annual management charge" is the charge for managing pension scheme investments, expressed as a percentage of the assets. It is usually deducted prior to the calculation of the unit price and may incorporate both administration and investment charges. The Trustee has also set out the "annual management charge" for each fund available under the Plan for information.

The transaction cost information provided in this statement is annualised such that it covers the period from 1 January 2024 to 31 December 2024. Fidelity was unable to provide transaction cost information for part year periods, so where a fund was used by members in the Plan for a part year only the transaction costs information provided does not match the period in which the relevant funds were in use. In addition, Fidelity was unable to provide the transaction cost information for funds that were removed as fund options within the Plan during the 2024 Governance Year. The Trustee's investment adviser worked with Fidelity to obtain the transaction cost information relating to relevant part year periods and for the funds that were removed as fund options during the 2024 Governance Year from the underlying investment manager. However, as the underlying investment managers do not ordinarily provide such information, it has not been possible to obtain this information for the preparation of this Statement.

None of the funds available in the Plan, including all Default Arrangements, have any specified performance-based fees (as defined in the Administration Regulations) applying.

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Core Default Arrangement – charges

During the 2024 Governance Year, the level of charges applicable to the Core Default Arrangement were as follows.

Overall charges of 0.200% to 0.292% of the monies held in the Core Default Arrangement (including Annual Management Charges (AMCs) of 0.200% to 0.288%) applied. The range of charges shown reflects the changes to the allocation of the assets and respective charges within the relevant lifestyle strategy and/or target date fund that apply at different points during a member's approach to their selected retirement date. The charges are comprised of:

- 0.264% to 0.292% in respect of the Core Default Arrangement for a member more than 5 years from their retirement date (including an overall charge of 0.249% for the Fidelity Chevron Equity/Bond Split 50/50 Fund and 0.270% to 0.310% for the FutureWise Target Date Funds); and
- 0.200% in respect of the Fidelity BlackRock Cash Fund for a member who was at the end point of the Fidelity Chevron Equity/Bond 50/50 Lifestyle Strategy (including Annual Management Charge of 0.200%).

Note: members would have incurred charges in the funds making up the Fidelity Chevron Equity/Bond 50/50 Lifestyle Strategy (ie the previous core default arrangement) until 18 April 2024 and in the funds making up the Fidelity FutureWise Target Date Funds (ie the new Core Default Arrangement) for the period 19 April 2024 to 31 December 2024. The charges set out above provide a blend of those charges reflecting the time during the 2024 Governance Year that a member who was transferred from the previous core default arrangement to the new Core Default Arrangement would have experienced. As such, despite the most expensive vintage of FutureWise Target Date Funds being priced at 0.310% for the 2024 Governance Year, members were only invested in this fund for part of the year, and the full AMC would therefore not have applied.

Core Default Arrangement – ongoing transaction costs

Ongoing transaction costs relating to the 2024 Governance Year are taken into account via the unit price for each of the funds that make up the Core Default Arrangement and ranged from 0.01% (for example, for members who were close to their selected retirement age in the previous core default arrangement, the Fidelity BlackRock Cash Fund) to 0.28% (for example, for members who were in the target date fund within the new Core Default Arrangement with the highest transaction costs in that arrangement, the Fidelity FutureWise Target 2025 Fund). The actual transaction costs incurred varied over time and depended on a member's term to retirement.

Note: Given the transfer of investments to the Core Default Arrangement over the course of the 2024, members would have incurred transaction costs in the funds making up the Fidelity Chevron Equity/Bond 50/50 Lifestyle Strategy until 18 April 2024 and FutureWise for the period 19 April 2024 to 31 December 2024. Fidelity has been unable to provide the transaction costs applying to the part year periods or for the funds that were removed during the 2024 Governance Year, so the range of transaction costs set out above reflects the lowest and highest transaction costs over the full 2024 Governance Year that would have applied to a member in the Fidelity Chevron Equity/Bond 50/50 Lifestyle Strategy (ie the previous core default arrangement) until 18 April 2024 based on the best estimate that can be provided in the circumstances and in the funds making up the Fidelity FutureWise Target Date Funds (ie the new Core Default Arrangement) for the period 19 April 2024 to 31 December 2024. In addition, the following transaction costs were incurred on member accounts as a result of the transfer of investments from the previous core default arrangement to the new Core Default Arrangement.

Total Transition Value	Total Transaction Cost	Transaction Cost as % of Transition Value
£16,993,377.79	£38,607.83	0.23%

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Default Arrangements (excluding the Core Default Arrangement) – charges

The levels of charges (and Annual Management Charges (AMC) which form part of the overall charges) applicable to the Default Arrangements (excluding the Core Default Arrangement) in which assets relating to members were invested over the 2024 Governance Year were as follows.

Asset class	Fund	AMC (%)	Overall charges (%)
Global equities	Fidelity Chevron Equity Fund	0.290	0.290
Global equities	Fidelity BlackRock World (ex- UK) Equity Index Fund	0.250	0.260
UK Equities	Fidelity BlackRock UK Equity Index Fund	0.250	0.260
Bonds	Fidelity BlackRock Over 15 Years UK Gilt Index Fund	0.200	0.200
Cash	Fidelity BlackRock Cash Fund	0.200	0.200
Mixed Asset	Chevron Equity/Bond Split 75/25 Fund*	0.221 - 0.298	0.221 - 0.298

*As explained above, members invested in the Chevron Equity/Bond Split 75/25 Fund at the start of the 2024 Governance Year would have been transferred to either FutureWise or, for those within 3 years of retirement, the Fidelity BlackRock Cash Fund during April 2024. As such a range is provided.

Default Arrangements (excluding the Core Default Arrangement) – transaction costs

The following transaction cost information has been provided by Fidelity and shows the annualised transaction costs for the period 1 January 2024 to 31 December 2024:

Asset class	Fund	Transaction cost (%)
Global equities	Fidelity Chevron Equity Fund	0.06
Global equities	Fidelity BlackRock World (ex-UK) Equity Index Fund	0.02
UK Equities	Fidelity BlackRock UK Equity Index Fund	0.07
Bonds	Fidelity BlackRock Over 15 Years UK Gilt Index Fund	0.02
Cash	Fidelity BlackRock Cash Fund	0.01
Mixed Asset	Chevron Equity/Bond Split 75/25 Fund*	0.01 - 0.28

* As explained above, transaction cost information for the Chevron Equity/Bond Split 75/25 Fund is not available for the period prior to the investment changes being implemented in April 2024. As such, a range of transaction costs is shown that reflects the lowest and highest transaction costs over the full 2024 Governance Year that would have applied to a member invested in this fund until 18 April 2024 based on the best estimate that can be provided in the circumstances and in the target date fund within the new Core Default Arrangement with the highest transaction costs in that arrangement, the Fidelity FutureWise Target 2025 Fund, for the period 19 April 2024 to 31 December 2024

The Trustee considered these transaction costs to be within their reasonable expectations when compared to market experience for similar funds (based on research undertaken by the Trustee's investment adviser).

In addition, the following transaction costs were incurred on member accounts as a result of the transfer of assets being transferred into and out of the Fidelity Chevron Equity Fund (as described in section 2 above).

Total Transition Value	Total Transaction Cost	Transaction Cost as % of Transition Value
£4,205,189.14	£2,933.17	0.07%

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Self-select funds (excluding those covered above) - charges

The levels of charges (and Annual Management Charges (AMC) which form part of the overall charges) applicable to other funds which were available on a self-select basis through Fidelity and in which assets relating to members were invested over the 2024 Governance Year, on a percentage basis, were as follows:

Asset class	Fund	AMC (%)	Overall charges (%) [*]
Bonds	Fidelity BlackRock Over 5 Years Index Linked Gilt Fund	0.200	0.200
	Fidelity BlackRock Corporate Bond Index Fund All Stocks	0.200	0.210
Emerging markets	Fidelity BlackRock Emerging Markets Fund	0.350	0.450
Multi-asset	Fidelity Chevron BlackRock Consensus Fund	0.200	0.230
ESG	Fidelity Chevron LGIM MSCI ACWI Adaptive Capped ESG Index Fund	0.315	0.315
Shariah Law	Fidelity HSBC Islamic Pension Fund (previously named HSBC Amanah Global Equity Index Fund)	0.450	0.450
Global equities	Fidelity BlackRock 30:70 Currency Hedged Global Equity Fund	0.284	0.290
Blended fund ^{**}	Fidelity Chevron Equity/Bond Split 50/50 Fund ^{***}	0.210 – 0.288	0.215 – 0.292

^{*} To understand the annual charges on a costs and charges ("£ and pence") basis, per £1,000 invested, multiply the percentage rates shown by 10. For example, Overall Charges of 0.280%, equates to an annual charge of £2.80, per £1,000 invested.

^{**} Blended fund charges show where a single charge applies that is constructed from a combination of other funds within the Plan's investment fund range.

^{***} As explained above, members invested in the Chevron Equity/Bond Split 50/50 Fund at the start of the 2024 Governance Year would have been transferred to either FutureWise or, for those within 3 years of retirement, the Fidelity BlackRock Cash Fund during April 2024. As such a range is provided.

Self-select funds (excluding those covered above) – transaction costs

The following transaction cost information has been provided by Fidelity and shows the annualised transaction costs for the period from 1 January 2024 to 31 December 2024

Asset class	Fund	Transaction costs (%)
Bonds	Fidelity BlackRock Over 5 Years Index Linked Gilt Fund	-0.10
	Fidelity BlackRock Corporate Bond Index Fund All Stocks	0.00
Emerging markets	Fidelity BlackRock Emerging Markets Fund	-0.10
Multi-asset	Fidelity Chevron BlackRock Consensus Fund	-0.04
ESG	Fidelity Chevron LGIM MSCI ACWI Adaptive Capped ESG Index Fund	0.02
Shariah Law	Fidelity HSBC Islamic Pension Fund	0.02
Global equities	Fidelity BlackRock 30:70 Currency Hedged Global Equity Fund [*]	0.06

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Blended fund	Fidelity Chevron Equity/Bond Split 50/50 Fund**	0.01 - 0.28
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*As explained above, part year transaction cost information for funds that were transferred to and from during the 2024 Governance Year are unavailable. As all assets were transferred from the Fidelity BlackRock 30:70 Currency Hedged Global Equity Fund to the Fidelity Chevron Equity Fund (and the Fidelity BlackRock 30:70 Currency Hedged Global Equity Fund was previously the component fund of the Fidelity Chevron Equity Fund), the transaction costs applying to the Fidelity Chevron Equity Fund are shown.

** As explained above, transaction cost information for the Chevron Equity/Bond Split 50/50 Fund is not available for the part year period prior to the investment changes being implemented in April 2024. As such, a range of transaction costs is shown that reflects the lowest and highest transaction costs over the full 2024 Governance Year that would have applied to a member invested in this fund until 18 April 2024 and in the target date fund within the new Core Default Arrangement with the highest transaction costs in that arrangement, the Fidelity FutureWise Target 2025 Fund, for the period 19 April 2024 to 31 December 2024

4.2 Illustrative examples of the cumulative effect of costs and charges

Appended to this statement are illustrative examples of the cumulative effect of costs and charges on the value of a member's accrued rights (in accordance with Reg 23(1)(ca) of the Administration Regulations 1996).

The illustrations have been prepared in accordance with the relevant statutory guidance and reflect the impact of costs and charges for a range of Plan members and investment funds.

A copy of these illustrations can also be found at <http://chevron.pensioncharges.com/store/>

4.3 Net investment returns

The Trustee is required to report on the net investment returns for their Default Arrangements and for each fund which Plan members are, or have been, able to select and in which they have assets invested during the 2024 Governance Year. Net investment returns refers to the returns on funds minus all transaction costs and charges (see above).

When preparing this section of the statement, the Trustee has taken account of the DWP's statutory guidance on "Completing the annual Value for Members assessment and Reporting of Net Investment Returns".

The figures for net investment returns shown in the tables below have been provided by Fidelity and show returns over one year, five years and since fund inception. In addition, as a result of implementing the 2023 investment review decisions, some members were transferred to different funds during the 2024 Governance Year (as described in Section 2 above). The net investment returns for members who were transferred are covered in a separate table below.

Asset class	Fund	1 year net investment return to 31.12.2024 (%)	5 year annualised net investment return to 21.12.2024 (%)	Annualised net investment return from fund inception to 31.12.2024 (%)**
FutureWise*	FutureWise Retirement Fund	-	-	7.6 (since 18/4/2024)
	FutureWise Target 2025	-	-	8.4 (since 18/4/2024)

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	FutureWise Target 2030	-	-	10.8 (since 18/4/2024)
	FutureWise Target 2035	-	-	12.7 (since 18/4/2024)
	FutureWise Target 2040	-	-	12.8 (since 18/4/2024)
	FutureWise Target 2045	-	-	12.9 (since 18/4/2024)
	FutureWise Target 2050	-	-	12.9 (since 18/4/2024)
	FutureWise Target 2055	-	-	12.9 (since 18/4/2024)
	FutureWise Target 2060	-	-	12.9 (since 18/4/2024)
	FutureWise Target 2065	-	-	12.9 (since 18/4/2024)
	FutureWise Target 2070	-	-	12.9 (since 18/4/2024)
Global equities	Fidelity BlackRock World (ex-UK) Equity Index Fund	20.6	12.6	10.6 (since 25/2/2005)
	Fidelity BlackRock 30/70 Currency Hedged Global Equity Fund***	19.6	9.4	8.7 (since 15/2/2010)
UK equities	Fidelity BlackRock UK Equity Index Fund	8.5	4.0	4.4 (since 17/4/2019)
Bonds	Fidelity BlackRock Over 5 Years Index Linked Gilt Fund	-11.1	-8.4	3.0 (since 13/4/2006)
	Fidelity BlackRock Corporate Bond Index Fund All Stocks	1.6	-1.2	3.6 (since 26/1/2007)
	Fidelity BlackRock Over 15 Years UK Gilt Index Fund	-11.1	-10.7	2.1 (since 13/4/2006)
Emerging markets	Fidelity BlackRock Emerging Markets Fund	11.4	2.2	3.3 (since 6/12/2010)
Multi-asset	Fidelity Chevron BlackRock Consensus Fund	8.9	5.6	6.5 (since 18/10/2013)
ESG	Fidelity Chevron LGIM MSCI ACWI Adaptive Capped ESG Index Fund	11.0	-	8.0* (since 18/05/2022)
Shariah Law	Fidelity HSBC Islamic Global Equity Pension Fund	30.0	16.9	13.6 (since 7/7/2008)
Cash	Fidelity BlackRock Cash Fund	5.2	2.2	1.6 (since 13/4/2006)
Blended Fund	Chevron Equity/Bond Split 50/50 Fund***	11.0	4.0	6.0 (since 17/10/2011)
	Chevron Equity/Bond Split 75/25 Fund***	15.3	6.8	7.6 (since 17/10/2011)

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**Fund performance for the FutureWise funds is shown from inception of these funds within the Plan. As this was during the 2024 Governance Year, 1- and 5-year net investment returns are not available. In addition, the 5-year returns are not available for the Fidelity Chevron LGIM MSCI ACWI Adaptive Capped ESG Index Fund as it was launched in May 2022.*

***The return data provided in this column shows percentage net investment returns over the period from each fund's inception to 31 December 2024. The net investment return data in the different rows in this column are not, therefore, necessarily comparable to each other as they show net investment returns over different time periods. This should be taken into account when reading this table.*

****As these funds were removed from the fund range during the 2024 Governance Year, the net investment returns over the period 1 January 2025 to 31 March 2025 are shown (which is the period for which net investment return information is available that is most closely aligned with the period during the 2024 Governance Year in which the funds were in use within the Plan.*

The Trustee notes that paragraph 27 of DWP's relevant statutory guidance says that trustees should provide details of investment returns at ages 25, 45 and 55 for funds where the investment returns vary by age, such as in a lifestyle strategy.

Lifestyle strategies are identified because the way assets are invested changes as members approach retirement, meaning that the investment returns can vary by age. Before implementing the 2023 investment review decisions, the Plan's DC Section had three lifestyle strategies (as described in Section 2 above). As part of implementing these decisions, members were transferred to the FutureWise Target Date Fund corresponding to their target retirement date.

Where members held investments in one of the funds or lifestyle strategies that was removed as a result of implementing the 2023 investment review decisions, they will have part year investment in one fund or strategy and part year in the fund they were transferred into. The table below provides the overall net investment returns for members invested in these funds.

Each Target Date Fund has its own net investment return and net investment returns also vary for members at different ages. The table below shows the net investment returns for the relevant Target Date Funds for members aged 25, aged 45 and aged 55.

Transferring fund or strategy	Receiving fund or strategy	1 year net investment return to 31.12.2024 (%)	5 year annualised net investment return to 31.12.2024(%)
Fidelity BlackRock 30/70 Currency Hedged Global Equity Fund	Fidelity Chevron Equity Fund	18.5	9.2
Chevron Equity/Bond 50/50 Fund and Chevron Equity/Bond 50/50 Lifestyle Strategy			
Member Aged 25	FutureWise Target 2065	14.1	4.5
Member Aged 45	FutureWise Target 2045	14.1	4.5
Member Aged 45	FutureWise Target 2045	14.1	4.5
Member Aged 55	FutureWise Target 2035	13.9	4.5
Chevron Equity/Bond 75/25 Fund and Chevron Equity/Bond 75/25 Lifestyle Strategy			
Member Aged 25	FutureWise Target 2065	16.0	6.9
Member Aged 45	FutureWise Target 2045	16.1	6.9

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Member Aged 55	FutureWise Target 2035	15.9	6.9
Chevron Equity 100 Lifestyle Strategy			
FutureWise Target 2065	FutureWise Target 2065	18.0	9.1
FutureWise Target 2045	FutureWise Target 2045	18.0	9.1
FutureWise Target 2035	FutureWise Target 2035	17.8	9.0

As shown in the tables above, net investment returns during the 2024 Governance Year have generally been positive. This is a result of market conditions over the year, which has seen a strong year for investments in equities. The passively managed funds offered by the Trustee have performed within a reasonable range of their benchmarks.

4.4 Value assessment

In accordance with regulation 25(1)(b) of the Administration Regulations, and with regard to statutory guidance, the Trustee assessed the extent to which the charges and transaction costs borne by members, as set out in section 4.1 above, represent good value for members. This section of this statement explains the assessment that was carried out in relation to the 2024 Governance Year and its results.

How value for members has been assessed

To help them with their assessment, the Trustee obtained an independent value for members (VFM) assessment for the 2024 Governance Year from its investment adviser.

As noted above, administration services for the Plan are provided by both Fidelity and Barnett Waddingham. Members pay for the administration of their DC accounts with Fidelity through the bundled annual management charge and additional expenses which make up the overall charges. Additional overarching main Plan administration is carried out by Barnett Waddingham for which members do not bear the cost. Taking this into account, the value for members assessment comprised of three Pillars as follows:

- (a) Pillar One: a review of the member borne costs and charges levied and a comparison of the costs and charges to those levied in relation to other bundled schemes in the market;
- (b) Pillar Two: a review of the net investment returns of the Default Arrangements and self-select options against their benchmarks and the market;
- (c) Pillar Three: a review of governance, administration and communication factors across seven service areas:
 - Scheme governance
 - Risk management
 - Administration
 - Default strategy and investment governance
 - Communication and engagement
 - At retirement support options

The Trustee's investment adviser has developed a checklist of key features that it would expect to be present in leading DC schemes and the value for members assessment reflects the presence or absence of those key features.

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The framework for this value for member assessment reflects the more detailed assessment under regulation 25(1A) of the Administration Regulations that some schemes are required to carry out in relation to scheme years ending after 31 December 2021. This requirement does not apply to the Plan (because it has assets in excess of £100 million as at the date of its last audited accounts and because this statement relates to the Plan year ended on 31 December 2023). However, the Trustee decided to use this framework and took account of the relevant statutory guidance as it provides an appropriately robust framework for the Plan's value of members assessment.

Although the Trustee did assess the 'broader value' offered to members by various elements of the governance, administration and communication factors they do not pay for, the Trustee did not take these elements into account when concluding its value for members assessment for the purposes of regulation 25(1)(b) of the Administration Regulations.

Summary of Trustee's conclusions in relation to each Pillar assessed

(a) Pillar One: Costs and charges

- Total Expense Ratio (TER) - the weighted TER of the growth phase of the Core Default Arrangement is 0.32%, which when benchmarked against other bundled schemes similar to the DC section indicates that it provides good value.
- Transaction costs - the transaction cost benchmarking undertaken showed that most of the transaction costs for the Plan's DC funds were either below average or between the average and 75th percentile (i.e. slightly above average) for each comparable sector. Given that transaction costs make up only a small proportion of the overall TER, the higher than average transaction costs in relevant funds did not impact the overall rating of costs and charges
- Overall, the Trustee concluded that the Plan's aggregate costs and charges provide good value for members.

(b) Pillar Two: Net investment returns

- Default investment strategy performance – because of the changes made to the default arrangements in use during the 2024 Governance Year, fund performance reporting is based on net investment returns in the previous core default arrangement until 18 April 2024 and then in the new Core Default Arrangement, FutureWise, thereafter. It is noted that the previous core default arrangement contained a higher weighting of assets to fixed interest investments (bonds and gilts) than its peer group. As bonds performed poorly by comparison with equities in the relevant period, this has had an impact on the net investment returns for members. In summary, the value assessment concluded the following in relation to the past performance of the default investment strategy (the past performance described below considers a saver 35 years from retirement, 5 years from retirement and a saver at retirement and how this compared against peer group of provider default arrangements):
- Growth phase (a saver 35 years from retirement) – performance over the one-year period to 31 December 2024 was in the mid-range of its peer group, and close to median. The three- and five-year periods the performance is in the lower range. Reflecting the issues highlighted above around fixed interest assets.
- Pre-retirement phase (a saver 5 years from retirement) – performance over the one-year period to 31 December 2024 was in the upper range of its peer group. For three- and five-year periods, the Core Default Arrangement was in the lower and mid-range respectively.
- At-Retirement phase (a saver at retirement date) – in this case the default investment strategy held 100% allocation to cash, which has benefited from high interest rates. The performance across one-, three- and five-year periods to 31 December 2024 is in the upper range.
- Self-select fund performance - over the five-year period to 31 December 2024, the performance of the self-select fund range has been broadly consistent when compared to their benchmarks. As a result, this was assessed as providing good value to members.

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- Taking these results into account and noting that most the Plan's DC Section assets are invested in the self-select fund range, the Plan's investment services were rated as providing fair value for members.

(c) Pillar Three: Services

- Ratings are given in percentage terms below in each of the key service areas. Note these ratings are a combination of their availability in the Plan but also factoring their relative importance to Plan members.
- Scheme governance - the Plan exhibited 100% (8 out of 8) of the identified key features relating to Trustee Knowledge and Understanding, self- assessment and their governance approach.
- Risk management - the Plan exhibited 100% (5 out of 5) of the current key features in relation to managing risk for the scheme.
- Administration - the Plan exhibited 100% (17 out of 17) of the key features with this metric. Further information on this area is provided in section 3 of this statement.
- Investment governance - the Plan exhibited 98% (17 out of 18) of the key features within this metric. The key missing feature for the Plan was that the transaction cost information was not received from the investment managers within eight weeks of the Plan year end, which is the best-practice window within which the Trustee's investment adviser would expect to receive transaction cost information (but which does not impact the Trustee's ability to meet its legal obligations relating to governance and investment disclosures).
- Communication and engagement - the Plan exhibited 92% (17 out of 19) of the identified key features. The missing key features in relation to communications was obtaining views from members on topical issues such as investing in Responsible in the previous 18 month and embedding PLSA Retirement Living Standards into member communications. In relation to obtaining member views, the Trustee carried out a member survey seeking views of members which was used in the design of the investment strategy. In relation to the PLSA Retirement Living Standards, as the DC Section is used as an AVC or top-up arrangement to members' DB benefits in the Plan, the PLSA Retirement Living Standards are less relevant to the DC Section benefits.
- At retirement support and options - the Plan exhibited 81% (5 out of 6) of the required key features. The missing key features included not offering a drawdown option through the Plan and not offering a guidance service at retirement. However, this is reflective of the fact that most members take their defined contribution rights in cash form on retirement in conjunction with their defined benefit rights which is not necessarily the case in the comparator schemes which make up the benchmark. The Trustee considered the need for the missing key features as part of their investment strategy review in the second half of 2023 and it was determined that these are not required at this stage as members continue to take their DC accounts in the form of cash. However, this will be kept under review.

Overall conclusion

The Trustee reviewed the independent value for members assessment and agreed with its conclusions that the combined value provided to members by the investment, administration and communication services members pay for represent good value compared with the overall charges members pay. The assessment concluded that the Plan provides high quality and appropriate services to meet the needs of the Plan membership. The Plan achieved an overall rating of offering good value for members. The Trustee will continue to monitor investment performance following the introduction of the new Core Default Arrangement and will also consider the ongoing suitability of the retirement options and support available to DC Section members of the Plan.

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5 Trustee knowledge and understanding (TKU)

The Trustee obtains advice on investment, legal and other issues from its professional advisers and is also able to call on the technical and investment expertise of the sponsoring Company, in areas including legal compliance, cyber security, data protection, pensions and benefits, and investment.

The Trustee Directors themselves collectively have a wealth of experience and knowledge across different areas, including the Trustee's legal obligations and trust law duties, actuarial experience, information security and data protection obligations, finance, audit, business strategy and leadership experience, and an understanding of general fiduciary responsibilities. This enables the Trustee to challenge its advisers and other third parties appropriately and set and monitor suitable business plans for the Plan.

The Trustee Directors' approach to meeting the TKU requirements during the 2024 Governance Year included:

- receiving regular training and updates in relation to legal issues affecting the Plan, which enabled the Trustee Directors to learn about and discuss current legislative and regulatory requirements relating to the law on pensions and trusts. For example, at the June 2024 Trustee Board training day, the Trustee Directors received training on funding and investment strategy (including hedging), DC governance, TPR's General Code of Practice (including approach to the trustee's Own Risk Assessment), and a Lifetime Allowance update. At the September 2024 Trustee Board training day, the Trustee Directors received training on risk management/analysis and participated in a practical cyber security breach simulation. The Trustee also received ad hoc updates and training throughout the year.
- receiving regular updates on the latest pensions news and insights from their professional advisors, which enabled the Trustee Directors to keep up to date with relevant legal developments. For example, all the Trustee Directors receiving email updates (on a weekly, monthly and quarterly basis) from various sources including the Pensions Regulator, their legal and actuarial advisers.
- receiving regular updates regarding funding and investment, which enabled the Trustee Directors to learn about and discuss the principles relating to funding of occupational pension schemes and the investment of the assets of such schemes. For example, at particular Trustee board meetings the board received updates on stewardship, the Plan's investment principles/ implementation of those principles, and the pros and cons of de-risking.
- considering and applying the Plan's trust deed and rules, Statement of Investment Principles, statement of funding principles and other relevant policies where applicable to Trustee decisions. For example, in the 2024 Governance Year:
- the Trustee Directors reviewed the defined contribution Statement of Investment Principles during the Plan Governance Year which was subsequently approved by the Trustee Directors on 7 May 2024. In reviewing the defined contribution Statements of Investment Principles, the Trustee discussed the document at its March Trustee Board meeting, considered and applied the relevant Plan rules and applicable legislation, and consulted the Company.
- the Trustee Directors updated a number of the Trustee's policies including the risk management function policy, meeting and decision-making policy, monthly contribution process, whistleblowing policy, notifiable events policy, data quality and management policy, trustee training policy, and data protection/cyber security policies.
- attending the Trustee Board training days on 24 June 2024 and 24 September 2024, where the Trustee Directors received training from the Trustee's professional advisers and a meeting on 25 September 2024 where the Trustee discussed the results of the survey on Trustee Knowledge and Understanding.

The Trustee has systems in place to ensure the Trustee Directors are conversant with the Plan's trust deed and rules, Statement of Investment Principles, statement of funding principles and other Trustee policies relating to the administration of the Plan and have knowledge and understanding of the laws relating to pensions and trusts and the principles regarding funding and investment in relation to occupational pension schemes. These systems include identifying knowledge gaps and what appropriate training is needed for existing Trustee Directors. For example, the systems in place during the 2024 Governance Year included:

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- the Trustee Directors undertaking the survey on Trustee Knowledge and Understanding referred to above which is used to help assess the effectiveness of the Trustee Board and to assess whether there are any areas of training the Trustee Directors felt the Trustee Board would benefit from receiving. The Trustee Directors will further develop their knowledge and understanding of these topics and others in the future, by receiving ad hoc training sessions at the quarterly Trustee Board meetings and at the 2025 Trustee Board training days.
- the Trustee Directors, having previously completed all of the core modules (both DB and DC) in the Pensions Regulator's Trustee Toolkit, each hold the Pension Regulator's Trustee Toolkit certificate. The Trustee Toolkit is an online learning programme from the Pensions Regulator aimed at trustees of occupational pension schemes. The Trustee Toolkit includes a series of online learning modules and downloadable resources developed to help trustees meet the minimum level of knowledge and understanding required by law. The Trustee's training policy requires each Trustee Director to complete the Trustee Toolkit every four years. The dates on which each of these Trustee Directors last completed the core modules of the Trustee Toolkit are as follows:

- William Alan Dennison – 28 September 2022
- Simon Owens – 17 February 2023
- Gregor Cameron – 7 March 2025
- Nahid Ali – 12 April 2021
- Beth Claar – 1 March 2021
- Ewan Chesser – 13 February 2023
- Harriet Wu – 19 April 2022
- Stewart Wright – 10 May 2022
- Matthew Wright – 6 February 2023

In addition to completing the core modules of the Trustee Toolkit, all the Trustee Directors have completed the more recent pension scams module of the Trustee Toolkit.

- the Trustee Directors being encouraged to undertake additional study.

The Trustee has a structured induction process in place for any new Trustee Directors that is designed to ensure that they acquire the appropriate level of Trustee Knowledge and Understanding within 6 months of their appointment. That process includes:

- undertaking one-to-one training with the Plan's Actuary, covering their duties and responsibilities and the operation of the DC benefits;
- receiving a New Trustee Orientation Pack on appointment including the key documentation of the Plan (Plan's Trust Deed and Rules, Statement of Investment Principles, statement of funding principles, schedule of contributions and other Trustee policies relating to the administration of the Plan). The provision of this information as part of the induction pack ensures that all Trustee Directors are familiar with these documents from the start of their appointment;
- attending a Trustee meeting in an observational capacity prior to appointment;
- being given an overview by the outgoing Trustee Director before being appointed and receiving an overview on the role of a Trustee Director from the Pensions Manager before the first Trustee meeting; and
- being given the support required to complete the Pensions Regulator's Trustee Toolkit.

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Overall, the Trustee's Directors consider that, because of the induction process, training and study undertaken as referred to above, both collectively and personally their own knowledge and understanding, together with the advice, which is available to the Trustee, enables the Trustee to properly exercise its function as trustee of the Plan.

Approved by the Trustee and signed on behalf of the Trustee

Simon Owens

Date

Chair of Chevron UK Pension Trustee Limited

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APPENDIX 1 – Defined Contribution Statement of Investment Principles

Chevron UK Pension Plan

Defined Contribution Statement of Investment Principles – May 2024

1. Introduction

The Chevron UK Pension Plan (the “Plan”) provides both a Defined Benefit (DB) and Defined Contribution (DC) Pension arrangement. The Trustee of the Plan has drawn up this Statement of Investment Principles (“the Statement”) for the defined contribution section of the Plan to comply with the requirements of the Pensions Act 1995 (“the Act”) and subsequent legislation; a separate Statement has been produced for the DB arrangement.

As required under the Act, the Trustee has consulted suitably qualified persons and obtained written advice from its investment consultant on this statement. The Trustee will take advice regularly from one or both of Chevron Benefit Plan Investments staff and its investment consultant on the Plan’s investments. The Trustee has also consulted Chevron Energy Limited (the “Company”) as the sponsoring company, with regard to the principles outlined in this statement. This Statement is effective from 18 April 2024 at which point the investment strategy outlined in this Statement was adopted.

2. Plan Elements and Objectives. Investment Objectives, Policy, Strategies. Investment Risks and Risk Management.

2.1 Plan Elements and Objectives

The two defined contribution elements of the Plan are the DC element of the New Section (for employees joining since 1st January 2012 for eligible earnings over the DB earnings Cap and pensionable shift allowances) and Additional Voluntary Contribution (AVC) investments since 1st August 2006. These elements provide benefits in addition to the Plan’s defined benefit accrual.

The objective of the Defined Contribution Section of the Plan is to offer a range of investment choices for selection by members with varying risk profiles to meet members’ investment needs. A default fund is also provided for members who do not make a specific selection. While members can choose from the investment options made available in the Defined Contribution Section, the ultimate authority and responsibility for selecting the range of funds for members to invest in - and to review those funds periodically - lies with the Trustee. The Trustee receives independent professional advice concerning the range of funds offered and default investment options. A review is conducted periodically and takes into account the demographics of the membership.

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2.2 Investment Objectives, Policy, Strategies

The Trustee's objective is to seek to provide members with a range of investment funds to invest in secure assets of appropriate liquidity which are designed to generate income and capital growth appropriate to the objectives of the particular fund. The Trustee's policy aims to achieve these objectives by offering a range of funds with the following characteristics:

- Providing a default investment option which is suitable for the demographics of the Defined Contribution Section's members (for example age profile and size of defined contribution account) taking into account the factors summarised under "Aims and Objectives of the Default Funds" in 3.2 below. The default investment option is Fidelity's Target Date Fund, which has elements invested using both a passively and actively managed approach. Further details of the way in which the default investment option works are included below;
- Providing a self-select fund range with a suitable range of funds, by way of asset and risk types;
 - Equity funds that are diversified geographically and represent various investment strategies;
 - Sterling denominated fixed interest funds with differing characteristics and durations;
 - Given the Trustee's governance approach, this is achieved by providing funds that are passively managed where possible;
 - Funds that are available for investment on the Plan's selected investment platform where possible;
- Funds that are managed by a reputable manager and invested in regulated markets;
- Funds whose investment management fees are competitive with the market based on the design of the investment strategy used and which aim to provide members with value for money based on the charges they pay.

The detailed investment objectives and expected returns for the asset classes selected are as follows:

Equities: The equity funds invest passively in their respective markets. They have the objective to provide returns consistent with the markets in which they invest. The funds provide a broad exposure to each of the countries in which they invest. Capital values may be highly volatile in the short term.

Bonds: The bond funds invest passively in fixed income securities consistent with the fixed income asset class selected. The investment objective is to achieve returns consistent with the selected benchmark. Capital values can be less volatile than equities but tend to produce lower returns in the medium to long term. In principle, equities and bonds are uncorrelated, meaning different market conditions will have a different impact on the performance of equities and bonds.

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Cash: The cash fund invests in money market instruments with the objective of providing a low risk, highly liquid investment alternative. The fund's investment returns are limited given the easily realizable and lower risk nature of the assets.

Alternative Assets: Alternative assets such as investments in emerging market debt, global high yield, private equity and private debt, commodities and infrastructure may also form part of investment strategies to add diversification across asset type and geography. They may be more volatile than conventional asset types, although add diversification and the opportunity for higher return.

FutureWise Target Date Funds (TDFs): These funds invest in an appropriate selection of the underlying asset types. Their objective is to provide long term capital growth that gradually changes to a more conservative risk profile (compared to the growth phase) towards retirement. This is achieved by investing 100% in global equities when members are far from retirement, then as members approach retirement (approximately between 8 -12 years from retirement), the allocation to equities is reduced and the allocation to fixed income assets is increased with the objective of diversifying the asset allocation to help smooth investment returns as members approach their retirement date. Up to and past the fund's target date, the TDFs aim to generate a sustainable level of income over the long-term.

A list of the funds that have been made available to members is provided in Appendix A.

2.3 Default Funds

For members who don't make a specific investment selection the Trustee provides a default investment option for the New Section DC Funds. Further information regarding its aims and objectives and those of other funds classified as default funds are provided in Appendix B.

Aims and Objectives of the Default Funds

The DC default investment option is intended to ensure that assets are invested in the best interests of members who do not make a specific choice of funds and their beneficiaries. In order to achieve this the Trustee and its investment adviser have analysed demographic information on the Plan's membership and taken this into account in determining what represents an appropriate balance between risk and return at different stages in the journey to retirement. The Trustee has selected Fidelity's FutureWise TDFs for the default investment strategy, which automatically rebalances its investments to take account of these perceived risk and return criteria, focussing on growth by investing principally in equities in the early stages and smoothing investment return by investing in more diversified assets as the member approaches retirement. Fidelity retains some flexibility over the length of the automatic rebalancing based on market conditions, but this is expected to be between 8 and 12 years from the target date of the fund.

2.4 Investment Risks and Risk Management

There are a number of risks to which members' investments are exposed (including investment performance risk, which is borne by the member; accordingly, members are encouraged to seek independent investment advice). The Trustee's policy seeks to manage

Annual statement regarding governance of DC benefits (Cont)

investment risk by:

- *Establishing an appropriate set of investment choices with differing risk characteristics across a range of investment asset classes*, as described above. The Trustee receives advice on investment strategy and (in light of the objectives noted previously) considers the appropriate range of fund choice to make available to Plan members.
- *Monitoring the Plan's investments*. The Trustee receives reports (at least quarterly) from its investment platform provider and monitors the performance of all investment options regularly to assess suitability for the Plan. As part of that monitoring process, the Trustee compares each investment's performance against an appropriate benchmark established by the Trustee that is transparent and commercially reported by a major index provider.

Should there be a material change in the Plan's circumstances, the Trustee will review whether and to what extent the investment arrangements should be altered, and in particular whether the current range of choices remains appropriate.

Approach to specific risks

The Trustee recognises that the uncertainty inherent in four specific investment risks (inflation, capital, opportunity cost and decumulation mismatch) can be managed to a limited extent by the choice of investments. These risks and the Trustee's objective for each risk are considered under the following headings:

Inflation Risk

The risk that investments do not provide a return at least in line with inflation, so that the "purchasing power" of the ultimate fund available to provide benefits is not maintained at retirement. The Trustee's objective is to provide a default investment option and self-select funds which have the potential to outperform inflation.

Capital Risk

The risk that the monetary value of a member's account falls.

The Trustee's objective is to provide an investment option that offers a very low risk of capital loss for members who are concerned about Capital Risk. A money market fund is an example of such an option.

Decumulation Mis-match Risk

The risk that investment allocations in the years just prior to retirement do not match members' retirement objectives, exposing members to inefficient or uncertain outcomes.

The Trustee's objective is to provide a range of investment options that allow members sufficient flexibility to meet their varying objectives.

Opportunity Cost Risk

The risk that members end up with insufficient funds at retirement with which to secure a

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reasonable income - “shortfall” or “opportunity cost” risk.

The Trustee’s objective is to provide a suitable default investment option and self-select funds for members to give members the best possible outcome at retirement, noting that members may make self-selecting decisions with varying outcomes which cannot be influenced by the Trustee.

The relative importance of inflation, capital, opportunity cost and decumulation mismatch risk depends on the length of time to retirement and each member’s attitude to risk and expected return. Managing decumulation mismatch and/or capital risks is important near retirement.

It is recognised that the control of one of the aspects of risk is often at the expense of another. For example, investing in a cash deposit fund will give protection against a decrease in fund values (capital risk), but will increase the risk of ending up with insufficient funds at retirement (opportunity cost risk). The Trustee offers a range of defined contribution funds with differing characteristics, as described in section 2.2, section 2.3 and Appendix A, to mitigate these risks.

2.5 Day-to Day Management of the Default and Self-Select funds

The Trustee maintains individual member accounts with the investment platform provider.

The Trustee monitors performance of the funds against their benchmarks in order to assess continued suitability of the funds.

2.6 Realisation of Investments

DC members’ accounts (including assets invested in investment options classified as default arrangements) are held in funds which can be realised to provide pension benefits on retirement, or earlier on transfer to another pension arrangement.

2.7 Corporate Governance and Environmental, Social and Governance investment policy

The Trustee seeks to take account of all relevant financially material risks and opportunities in consultation with its advisers. Such risks and opportunities are considered for materiality and impact within the Plan’s Risk Register. The Trustee considers sustainable investment factors, such as (but not limited to) those arising from Environmental, Social and Governance (ESG) factors in the context of this broader risk framework.

The Trustee’s policy is that day-to-day decisions relating to the investment of Plan assets are left to the discretion of its investment managers. This includes consideration of all financially material factors, including ESG-related issues where relevant. The investment management and governance of the TDFs is essentially delegated to the investment manager, and as such the Trustee is not able to influence how the investment manager takes into account financially material factors in deciding which assets to hold.

Similarly for the investment mandates which are passively managed, which accounts for the majority of assets held in the self-select fund range, the choice of index dictates the assets held by the investment manager, rather than the views of the Trustee.

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As the Trustee invests through pooled funds, the investment managers are responsible for the exercise of rights attaching to the underlying investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks, capital structure, conflicts of interest and ESG considerations. The Trustee can only have limited influence on pooled fund managers' approach to engagement and the exercise of rights.

The Trustee considered these factors when reviewing and updating the default investment option and self-select fund range, and when assessing the approach undertaken by the Investment Managers on the inclusion of Sustainable Investments in the design of the TDFs. It also considered them when providing access to funds in the self-select fund range with Sustainable Investment considerations or following faith-based beliefs.

Stewardship

The Trustee's policy is to delegate responsibility for the exercising of ownership rights (including voting rights) attaching to investments and engagement with companies in which investment is made to the investment managers. The Trustee recognises the UK Stewardship Code as best practice and encourages their investment managers to comply with the UK Stewardship Code or explain where they do not adhere to this policy. The Trustee periodically meets with its investment platform provider to obtain updates on how its investment managers exercise their ownership rights (including voting rights). It provides feedback accordingly as part of its approach to monitoring and oversight of the investment managers.

Non-financial factors

The Trustee recognises that members and beneficiaries may have ethical views or views on matters such as the social and environmental impact of the Fund's investments. In conjunction with there being practical challenges of capturing and maintaining a consensus view on multiple issues across a varied membership population, it is the Trustee's view that financial factors should take precedence in seeking to maximise the security of member benefits. As such, it is the Trustee's policy not to take into account the non-financial factors when taking investment decisions related to the Defined Contribution Elements of the Plan, except that the Trustee may take into account member views into consideration when deciding the range of investment options that will be offered to members. To this extent, the Trustee offers members a fund with Sustainable considerations and a faith-based option in the self-select fund range.

It is recognised that members selecting these funds may be doing so for non-financial reasons. The Trustee could remove these funds in future.

2.8 Illiquid Assets Policy

The Trustee believes that members need to be able to trade their investments on a daily basis, which has long been considered an obstacle to investing in illiquid assets (i.e. assets which cannot easily or quickly be sold or exchanged for cash including those held within a collective investment scheme), in particular, as part of the default investment option.

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As the investment governance and design of the default investment option is delegated to Fidelity through management of its FutureWise TDFs, the Trustee cannot directly influence and decide on the design and inclusion of illiquid assets. However, part of the Trustee's rationale towards selecting Fidelity's FutureWise TDFs was to enable access to sophisticated investment governance and design, including illiquid assets, which the Trustee believe in the long term will provide better outcomes for members.

Fidelity is implementing the integration of private assets into its TDFs using a long term asset fund - a collective investment scheme which will invest in private equity, private credit, real estate, and infrastructure. In doing so, it expects to increase expected returns and reduce volatility. Fidelity intends to divest its private assets for those within 10 years of retirement with the aim of minimising potential liquidity shocks.

The Trustee will consider any material changes to investment approach in the context of ensuring these are being made in the best long-term interests of members.

3. Relationship with Investment Managers

The Plan accesses its investments via an investment platform provider.

Alignment between an investment manager's management of the Plan's assets and the Trustee's policies and objectives is a fundamental part of the appointment process of a new investment manager. As the DC Section only invests in pooled investment funds, the Trustee cannot directly influence or incentivise investment managers to align their management of the funds with the Trustee's own policies and objectives. However, the Trustee will seek to ensure that the investment objectives and guidelines of any investment fund used are consistent with its own policies and objectives.

Should the Trustee's monitoring processes reveal that an investment fund's objectives and guidelines, or an investment manager's approach to sustainable investment, do not appear to be sufficiently aligned with the Trustee's policies, the Trustee will engage with the investment manager to ascertain the reasons for this and whether closer alignment can be achieved. If this is not possible the Trustee may look to replace the fund.

The Trustee appoints its investment managers on its selected platform with an expectation of a long-term partnership. For funds that are selected to track a specific index on a passive basis, the key criteria is the investment manager's ability to track the index effectively, although the Trustee would expect index tracking managers to engage with investee companies where appropriate. For actively managed funds, the Trustee expects the investment managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance over these periods.

When assessing an investment manager's performance, the focus is generally on longer-term outcomes, and the Trustee would not expect to terminate an investment manager's appointment based purely on short term performance. However, an investment manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team, to the extent that the fund is an actively managed fund.

Investment managers are paid a fee expressed as a percentage of assets managed, in line with normal market practice, for a given scope of services which includes consideration of

Annual statement regarding governance of DC benefits (Cont)

long-term factors and engagement. The Trustee reviews the costs incurred in managing the Plan's assets on an annual basis, which includes the transaction costs associated with portfolio turnover, to the extent this is available. These costs are reported to members within the Annual Chair's Statement. In assessing the appropriateness of the portfolio turnover costs at an individual investment manager level, the Trustee will have regard to the actual portfolio turnover and how this compares with the expected turnover range for that type of fund. For passively managed funds, the portfolio turnover is determined by changes to the respective index rather than decisions made by investment managers.

Portfolio turnover should also be considered alongside the performance of the investments. Whilst transaction costs associated with high portfolio turnover may be higher than average, this may be acceptable where the investment manager is making changes to seek investment opportunities and better outcomes for members. Performance monitoring of the managers is carried out and the Trustee may make changes in the event of poor performance as highlighted above.

4. Compliance with this Statement

The Trustee will monitor compliance with this Statement and the Trustee undertakes to advise the investment managers promptly and in writing of any material change to this Statement.

5. Review of this Statement

The Trustee will review this Statement in response to any material changes to any aspects of the Plan, its liabilities, finances, and the attitude to risk of the Trustee and the sponsoring Company which they judge to have a bearing on the stated Investment Policy.

This review will occur no less frequently than every three years. Any such review will again be based on written expert investment advice and will be in consultation with the Company.

Signed:

Simon Owens
Chairman

Beth Claar
Director

Date:

Annual statement regarding governance of DC benefits (Cont)

Appendix A

Current List of Defined Contribution Funds

The current list of funds is provided below.

Asset class	Self-select fund range	Benchmark
Global equities	BlackRock Consensus Fund	FTSE All Share, FTSE AW Developed North America, FTSE AW Developed Europe (ex UK), FTSE AW Developed Asia Pacific (ex Japan), FTSE AW Japan, FTSE AW All Emerging, inox Non Gilts ex BBB All Stocks, FTSE A Index Linked All Stocks FTSE A Index Linked > 5 years, JPM Global (ex UK) Traded, Barc Cap US TIPS> 5 years, LIBID 7 Day
	LGIM All World Equity Index (50% Hedged) Fund	FTSE All-World Index, FTSE All-World Index – GBP Hedged
	BlackRock World (ex UK) Fund	FTSE All World Developed ex UK Custom ESG Screened Index
ESG specific equities	LGIM MSCI ACWI Adaptive Capped ESG Index	MSCI ACWI ex-Thermal Coal Adaptive Capped 2x ESG Universal Index
Regional equities	BlackRock UK Equity Fund	FTSE All Share Index
	BlackRock Emerging Markets Fund	MSCI Emerging Market net Index
Bonds	BlackRock All Stocks Corporate Bond Fund	Iboxx Sterling Non Gilts Index
	BlackRock Over 15 Years Gilt Fund	FTSE A UK Conventional Gilts Over 15 Years Index
	BlackRock Over 5 Year Index Linked Gilt Fund	FTSE A UK Index Linked Gilts Over 5 Years Index
Specialist	Fidelity HSBC Life Islamic Fund	Dow Jones Islamic Titans 100 Gross Index
Cash	BlackRock Cash Fund	SONIA Overnight

Annual statement regarding governance of DC benefits (Cont)

Appendix A (continued)

Target Date Funds – FutureWise

The following table sets out the TDFs currently available to members. Members are invested based on their term to Target Retirement Age and which band they fall into, shown in the table below. These funds will act as the default investment option for new section members. Fidelity will add further TDFS over time.

Fund	Retirement Date Band Start	Retirement Date Band End
Fidelity FutureWise Target 2070 Fund	01/01/2068	31/12/2099
Fidelity FutureWise Target 2065 Fund	01/01/2063	31/12/2067
Fidelity FutureWise Target 2060 Fund	01/01/2058	31/12/2062
Fidelity FutureWise Target 2055 Fund	01/01/2053	31/12/2057
Fidelity FutureWise Target 2050 Fund	01/01/2048	31/12/2052
Fidelity FutureWise Target 2045 Fund	01/01/2043	31/12/2047
Fidelity FutureWise Target 2040 Fund	01/01/2038	31/12/2042
Fidelity FutureWise Target 2035 Fund	01/01/2033	31/12/2037
Fidelity FutureWise Target 2030 Fund	01/01/2028	31/12/2032
Fidelity FutureWise Target 2025 Fund	01/01/2023	31/12/2027
Fidelity FutureWise Retirement Fund	01/01/2000	31/12/2022

Annual statement regarding governance of DC benefits (Cont)

Appendix B

Aims and objectives of the default investment arrangements

The Plan offers a DC default investment option because the Trustee recognised that some members will not want to choose an investment option, and the Plan is an automatic enrolment scheme.

The DC default investment option is the FutureWise Target Date Funds. Their objective is to provide long term capital growth that gradually changes to a more conservative risk profile (compared to the growth phase) towards retirement. This is achieved by investing 100% in global equities when members are far from retirement, then as members approach retirement (approximately between 8 -12 years from retirement), the allocation to equities is reduced and the allocation to fixed income assets is increased. At and into retirement, the TDFs aim to generate a sustainable level of income over the long-term.

Other funds classified as default arrangements

Under legislation, funds in which members are invested without having expressed a written choice, and which have received new contributions since April 2015 are also classified as default funds. This applies to the following list of funds:

- Chevron Global Equity Fund
- Fidelity BlackRock World (ex UK) Equity Index Fund
- Fidelity BlackRock UK Equity Index Fund
- Fidelity BlackRock Over 15 Years Gilt Index Fund
- Fidelity BlackRock Cash Fund

The Chevron Global Equity Fund This Life Fund invests or re-insures into underlying funds managed by our fund partners. Its aim is to track the performance of the FTSE All-World Index. This is a passively managed fund which means it tracks a market index, investing in the same companies that make up the index. The fund is 50% GBP hedged, which means that currency hedges back to sterling for 50% of the fund.

The BlackRock World (ex UK) Equity Index Fund invests in shares of overseas companies (Europe ex UK, Japan, Pacific Rim, US, and Canadian markets) according to market capitalisation weightings and aims to produce a return in line with its benchmark, which is the FTSE All-World Developed ex UK Index. The aims and objectives in offering the BlackRock World (ex UK) Equity Index Fund are to provide members with an equity-based investment option that meets their risk and return requirements and to give members the freedom to structure their own investment portfolio from the range of different asset classes that are made available.

The Fidelity Blackrock UK Equity Index Fund invests in shares of UK companies and aims to produce a return in line with the FTSE All Share Index. The aims and objectives of the Fund are to provide members with an equity-based investment option giving investors UK investment exposure.

Annual statement regarding governance of DC benefits (Cont)

The Fidelity Blackrock Over 15 Years UK Gilt Index Fund is designed to closely track the performance of the FTSE Actuaries UK Conventional Gilts Over 15 Years Index. The aims and objectives in offering this fund are to provide members with a lower risk investment option that also provides protection against inflation.

The Fidelity BlackRock Cash Fund invests in cash and money market instruments (i.e., debt securities with short term maturities) that are denominated in Sterling. The aims and objectives in offering this fund are to enable members to achieve a rate of interest on investments that is consistent with maintaining its capital value while investing in underlying assets that can easily be bought and sold in the market (in normal conditions).

Annual statement regarding governance of DC benefits (Cont)

APPENDIX 2 – Illustrative examples of the cumulative effect of costs and charges

In order to achieve greater transparency about costs, new regulations came into force on 6 April 2018 which require the Trustee to provide members with additional information in relation to investment charges and transactions costs. These must be set out as example member illustrations that have been prepared with regard to the relevant statutory guidance: "Reporting of costs, charges and other information: guidance for trustees and managers of relevant occupational pension schemes" (September 2018). The illustrations have been prepared in accordance with the relevant statutory guidance and reflect the impact of costs and charges for a range of Plan members and investment funds. As each member has a different amount of savings within the Plan and the amount of any future investment returns and future costs and charges cannot be known in advance, the Trustee has had to make a number of assumptions about what these might be. The assumptions are explained in the Notes section below the illustrations.

Within this Appendix we have provided illustrations based on:

- The potential period of Plan membership for the youngest member and average age of a Plan member
- The different member types within the Plan:
 - Members of the New Section with DC Element by virtue of earning over the earnings cap for Defined Benefit Section accrual
 - DB Section members (not New Section members) paying additional voluntary contributions
 - Deferred members with no new contributions going into the Plan
 - A range of investment choices have been illustrated, including:
 - Fidelity BlackRock Cash Fund - the fund that the largest number of members invest in and forms part of the New Section's core default investment strategy. This is also considered to carry the lowest level of potential investment returns and has the joint lowest Total Expense Ratio of any of the funds offered by the Trustee
 - Fidelity Chevron Equity Fund - This fund is classified as a default investment arrangement.
 - Fidelity Chevron Equity/Bond Split 50/50 Lifestyle Strategy – this is the New Section's core default lifestyle investment strategy
 - The Fidelity HSBC Islamic Pension Fund (previously named HSBC Amanah Global Equity Index Fund) is the fund with the highest level of charges and is also considered to carry the highest level of potential investment returns.
 - Fidelity BlackRock World (ex) UK Index Fund - This fund is classified as a default investment arrangement.
 - Fidelity BlackRock UK Equity Index Fund - This fund is classified as a default investment arrangement.
 - Fidelity BlackRock Equity/Bond Split75/25 Fund - This fund is classified as a default investment.
 - The risk and return ratings have been determined with input from the Trustee's investment adviser.

Annual statement regarding governance of DC benefits (Cont)

The following tables give a summary of the projected fund and the impact of costs and charges up to a normal retirement age of 65. The figures are presented against six member examples: New Section 'Over the Cap' (youngest and average members), AVC payers (youngest and average members), and Deferred (youngest and average members). Additionally, the tables include the performance of the funds over different time periods depending on the age of the member.

Values are rounded to the nearest £100.

Criteria	1 New Section		2 AVCs		3 Deferred	
Illustrative members	1a (youngest)	1b (average)	2a (youngest)	2b (average)	3a (youngest)	3b (average)
Age	32	46	36	53	27	54
Salary	£110,000	£140,000	n/a	n/a	n/a	n/a
Contributions	In line with age related scheme design (based on salary over the DB Earnings Cap)		£1,000 pa	£8,400 pa	n/a	n/a
Fund size	£2,000	£49,000	£5,500	£72,000	£1,000	£31,000

Example Member	Years	Fidelity BlackRock Cash Fund		Fidelity Chevron Equity Fund		Fidelity HSBC Islamic Global Equity Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
New Section 'Over the Cap' members (youngest member)	1	£3,000	£3,000	£3,100	£3,100	£3,100	£3,100
	3	£5,000	£5,000	£5,500	£5,400	£5,500	£5,400
	5	£7,000	£7,000	£8,000	£7,900	£8,000	£7,800
	10	£12,400	£12,300	£15,500	£15,200	£15,500	£15,100
	15	£18,900	£18,600	£25,800	£25,100	£25,800	£24,900
	20	£25,700	£25,200	£38,500	£37,200	£38,500	£36,700
	25	£33,500	£32,700	£54,900	£52,500	£54,900	£51,700
	30	£41,200	£40,000	£74,200	£70,300	£74,200	£69,000
New Section 'Over the Cap' members (average member)	33	£45,700	£44,300	£87,500	£82,400	£87,500	£80,700
	1	£56,100	£56,000	£58,200	£58,000	£58,200	£57,900
	3	£70,200	£69,900	£77,500	£76,800	£77,500	£76,600
	5	£85,100	£84,400	£99,000	£97,700	£99,000	£97,300
	10	£128,500	£126,700	£167,200	£163,500	£167,200	£162,200
	15	£170,900	£167,600	£247,900	£240,000	£247,900	£237,300
	19	£204,100	£199,300	£323,000	£310,200	£323,000	£305,700

Annual statement regarding governance of DC benefits (Cont)

Example Member	Years	Fidelity BlackRock Cash Fund		Fidelity Chevron Equity Fund		Fidelity HSBC Islamic Global Equity Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
DB AVC payers (youngest member)	1	£6,500	£6,500	£6,700	£6,700	£6,700	£6,700
	3	£8,400	£8,400	£9,200	£9,200	£9,200	£9,100
	5	£10,300	£10,200	£11,900	£11,800	£11,900	£11,700
	10	£15,000	£14,800	£19,600	£19,100	£19,600	£19,000
	15	£19,600	£19,200	£28,600	£27,700	£28,600	£27,300
	20	£24,000	£23,400	£39,300	£37,600	£39,300	£37,000
	25	£28,400	£27,500	£51,900	£49,200	£51,900	£48,200
	29	£31,800	£30,700	£63,600	£59,800	£63,600	£58,500
DB AVC payers (average member)	1	£80,000	£79,900	£83,000	£82,700	£83,000	£82,700
	3	£96,000	£95,400	£106,100	£105,300	£106,100	£104,900
	5	£111,800	£110,800	£130,900	£129,200	£130,900	£128,500
	10	£150,500	£148,200	£200,500	£195,700	£200,500	£194,000
	12	£165,800	£162,900	£231,900	£225,300	£231,900	£223,000

Example Member	Years	Fidelity BlackRock Cash Fund		Fidelity Chevron Equity Fund		Fidelity HSBC UCITS Common Contractual Fund Islamic Global Equity Fund C19	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Deferred New Section members (youngest member)	1	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000
	3	£1,000	£1,000	£1,100	£1,100	£1,100	£1,100
	5	£1,000	£1,000	£1,200	£1,200	£1,200	£1,200
	10	£1,000	£900	£1,400	£1,400	£1,400	£1,300
	15	£900	£900	£1,700	£1,600	£1,700	£1,500
	20	£900	£900	£2,000	£1,800	£2,000	£1,800
	25	£900	£800	£2,300	£2,100	£2,300	£2,100
	30	£900	£800	£2,700	£2,500	£2,700	£2,400
	35	£800	£800	£3,200	£2,900	£3,200	£2,800
	38	£800	£800	£3,600	£3,200	£3,600	£3,000
Deferred New Section members (average member)	1	£30,800	£30,800	£32,100	£32,000	£32,100	£31,900
	3	£30,500	£30,400	£34,300	£34,000	£34,300	£33,800
	5	£30,300	£29,900	£36,700	£36,100	£36,700	£35,900
	10	£29,500	£28,900	£43,400	£42,000	£43,400	£41,500
	11	£29,400	£28,700	£44,900	£43,300	£44,900	£42,700

Annual statement regarding governance of DC benefits (Cont)

Example Member	Years	Fidelity BlackRock World (ex-UK) Equity Fund		Fidelity BlackRock UK Equity Index Fund		Fidelity Chevron Equity/Bond Split 75/25 Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
New Section 'Over the Cap' members (youngest member)	1	£3,100	£3,100	£3,100	£3,100	£3,100	£3,100
	3	£5,500	£5,400	£5,500	£5,400	£5,500	£5,400
	5	£8,000	£7,900	£8,000	£7,900	£8,000	£7,900
	10	£15,500	£15,300	£15,500	£15,200	£15,500	£15,300
	15	£25,800	£25,200	£25,800	£25,100	£25,800	£25,200
	20	£38,500	£37,300	£38,500	£37,200	£38,500	£37,300
	25	£54,900	£52,800	£54,900	£52,500	£54,900	£52,700
	30	£74,200	£70,900	£74,200	£70,400	£74,200	£70,700
	33	£87,500	£83,100	£87,500	£82,500	£87,500	£82,900
New Section 'Over the Cap' members (average member)	1	£58,200	£58,000	£58,200	£58,000	£58,200	£58,000
	3	£77,500	£76,900	£77,500	£76,800	£77,500	£76,900
	5	£99,000	£97,900	£99,000	£97,700	£99,000	£97,800
	10	£167,200	£164,000	£167,200	£163,500	£167,200	£163,800
	15	£247,900	£241,200	£247,900	£240,100	£247,900	£240,700
	19	£323,000	£312,100	£323,000	£310,300	£323,000	£311,400

Example Member	Years	Fidelity BlackRock World (ex-UK) Equity Fund		Fidelity BlackRock UK Equity Index Fund		Fidelity Chevron Equity/Bond Split 75/25 Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
DB AVC payers (youngest member)	1	£6,700	£6,700	£6,700	£6,700	£6,700	£6,700
	3	£9,200	£9,200	£9,200	£9,200	£9,200	£9,200
	5	£11,900	£11,800	£11,900	£11,800	£11,900	£11,800
	10	£19,600	£19,200	£19,600	£19,100	£19,600	£19,200
	15	£28,600	£27,800	£28,600	£27,700	£28,600	£27,800
	20	£39,300	£37,900	£39,300	£37,600	£39,300	£37,800
	25	£51,900	£49,600	£51,900	£49,200	£51,900	£49,400
	29	£63,600	£60,300	£63,600	£59,800	£63,600	£60,100
DB AVC payers (average member)	1	£83,000	£82,800	£83,000	£82,800	£83,000	£82,800
	3	£106,100	£105,400	£106,100	£105,300	£106,100	£105,300
	5	£130,900	£129,400	£130,900	£129,200	£130,900	£129,300
	10	£200,500	£196,400	£200,500	£195,700	£200,500	£196,100
	12	£231,900	£226,200	£231,900	£225,300	£231,900	£225,900

Annual statement regarding governance of DC benefits (Cont)

Example Member	Years	Fidelity BlackRock World (ex-UK) Equity Fund		Fidelity BlackRock UK Equity Index Fund		Fidelity Chevron Equity/Bond Split 75/25 Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Deferred New Section members (youngest member)	1	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000
	3	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100
	5	£1,200	£1,200	£1,200	£1,200	£1,200	£1,200
	10	£1,400	£1,400	£1,400	£1,400	£1,400	£1,400
	15	£1,700	£1,600	£1,700	£1,600	£1,700	£1,600
	20	£2,000	£1,900	£2,000	£1,800	£2,000	£1,800
	25	£2,300	£2,200	£2,300	£2,100	£2,300	£2,200
	30	£2,700	£2,500	£2,700	£2,500	£2,700	£2,500
	35	£3,200	£2,900	£3,200	£2,900	£3,200	£2,900
	38	£3,600	£3,200	£3,600	£3,200	£3,600	£3,200
Deferred New Section members (average member)	1	£32,100	£32,000	£32,100	£32,000	£32,100	£32,000
	3	£34,300	£34,000	£34,300	£34,000	£34,300	£34,000
	5	£36,700	£36,200	£36,700	£36,100	£36,700	£36,100
	10	£43,400	£42,200	£43,400	£42,000	£43,400	£42,100
	11	£44,900	£43,500	£44,900	£43,300	£44,900	£43,400

Example Member	Years	Fidelity Chevron Emerging Markets Equity Fund		Lifestyle Strategy		FutureWise Target Date Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
New Section 'Over the Cap' members (youngest member)	1	£3,100	£3,100	£3,100	£3,100	£3,100	£3,100
	3	£5,600	£5,400	£5,200	£5,200	£5,500	£5,400
	5	£8,200	£7,900	£7,500	£7,400	£8,000	£7,800
	10	£16,400	£15,300	£13,900	£13,700	£15,500	£15,100
	15	£28,000	£25,200	£22,000	£21,500	£25,800	£24,900
	20	£42,900	£37,300	£31,300	£30,400	£38,500	£36,700
	25	£62,700	£52,800	£42,500	£41,100	£54,700	£51,500
	30	£87,300	£70,900	£54,000	£51,800	£71,700	£66,700
	33	£104,700	£83,100	£58,800	£56,300	£81,800	£75,400
New Section 'Over the Cap' members (average member)	1	£58,700	£58,000	£57,100	£57,000	£58,200	£57,900
	3	£79,300	£76,900	£73,800	£73,300	£77,500	£76,600
	5	£102,700	£97,900	£91,800	£90,800	£99,000	£97,300
	10	£178,700	£164,000	£146,500	£143,700	£167,000	£162,000
	15	£272,900	£241,200	£204,500	£199,100	£241,700	£231,300
	19	£364,300	£312,100	£241,600	£234,200	£302,700	£286,100

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Example Member	Years	Fidelity Chevron Emerging Markets Equity Fund		Lifestyle Strategy		FutureWise Target Date Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
DB AVC payers (youngest member)	1	£6,800	£6,700	£6,600	£6,600	£6,700	£6,700
	3	£9,500	£9,200	£8,800	£8,800	£9,200	£9,100
	5	£12,400	£11,900	£11,100	£11,000	£11,900	£11,800
	10	£20,900	£19,500	£17,100	£16,800	£19,600	£19,000
	15	£31,500	£28,400	£23,600	£23,000	£28,600	£27,400
	20	£44,700	£38,800	£30,600	£29,500	£39,200	£37,000
	25	£61,000	£51,200	£37,900	£36,300	£50,500	£47,000
	29	£76,800	£62,600	£42,000	£40,000	£59,400	£54,500
DB AVC payers (average member)	1	£83,700	£82,900	£81,500	£81,300	£83,000	£82,700
	3	£108,800	£105,900	£101,000	£100,200	£106,000	£104,800
	5	£136,100	£130,400	£121,000	£119,600	£129,900	£127,600
	10	£215,600	£199,300	£169,700	£166,400	£192,400	£185,900
	12	£252,500	£230,100	£185,300	£181,200	£217,800	£209,000

Example Member	Years	Fidelity Chevron Emerging Markets Equity Fund		Lifestyle Strategy		FutureWise Target Date Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
New Section 'Over the Cap' members (youngest member)	1	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000
	3	£1,100	£1,100	£1,000	£1,000	£1,100	£1,100
	5	£1,200	£1,200	£1,100	£1,100	£1,200	£1,200
	10	£1,500	£1,400	£1,200	£1,100	£1,400	£1,300
	15	£1,900	£1,600	£1,200	£1,200	£1,700	£1,600
	20	£2,400	£1,900	£1,300	£1,300	£2,000	£1,800
	25	£2,900	£2,300	£1,400	£1,300	£2,300	£2,100
	30	£3,600	£2,700	£1,500	£1,400	£2,700	£2,400
	35	£4,500	£3,100	£1,600	£1,500	£3,100	£2,700
	38	£5,100	£3,500	£1,600	£1,500	£3,300	£2,800
New Section 'Over the Cap' members (average member)	1	£32,400	£32,000	£31,500	£31,400	£32,100	£31,900
	3	£35,300	£34,200	£32,400	£32,100	£34,100	£33,700
	5	£38,400	£36,500	£33,300	£32,900	£36,200	£35,400
	10	£47,600	£43,000	£34,400	£33,500	£40,900	£39,000
	11	£49,700	£44,400	£34,200	£33,300	£41,700	£39,600

Annual statement regarding governance of DC benefits (Cont)

Assumptions and notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of inflation.
2. Annual contributions are assumed to be paid once, halfway through the year, as an approximation for contributions being paid monthly.
3. Investment returns and costs/charges as a percentage reduction per annum are assumed to be deducted at the end of the year.
4. Charges and costs are deducted before the application of investment returns.
5. Inflation is assumed to be 2.5% each year.
6. Contributions, where applicable, are assumed from age 25 to 65 and increase in line with assumed earnings inflation of 0% per year, except for members in "over the cap" section, whose earnings increase in line with age-related scheme design.
7. Values shown are estimates and not guaranteed.
8. The projected growth rates for each fund or arrangement are as follows:

Fund	Real projected growth rate (p.a.)
Lifestyle Strategy	-0.488% to 1.463% (adjusted depending on term to retirement)
Fidelity Target Date Fund	2.049% to 3.415% (adjusted depending on term to retirement)
Fidelity BlackRock Cash Fund	-0.488%
Fidelity Chevron Equity Fund	3.415%
Fidelity HSBC UCITS Common Contractual Fund Islamic Global Equity Fund CI9	3.415%
Fidelity BlackRock World (ex-UK) Equity Fund	3.415%
Fidelity BlackRock UK Equity Index Fund	3.415%
Fidelity Chevron Equity/Bond Split 75/25 Fund	3.415%
Fidelity Chevron Emerging Markets Equity Fund	4.390%

9. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of inflation.
10. Transaction costs and other charges have been provided by Fidelity and cover the period 1 January 2019 to 31 December 2024. Transaction costs have been averaged by WTW based on the last five years transaction costs where available. The transaction costs for Chevron Equity/Bond split funds are based on the transaction costs for the period 1 January 2018 to 31 December 2023 as transaction cost information is not available for the 2024 Governance Year.
11. Pension scheme's normal retirement age is 65.
12. Example members:
 - New Section 'Over the Cap' members (youngest member): age 32, starting contribution: £1,027.20, starting fund value: £2,000
 - New Section 'Over the Cap' members (average member): age 46, initial contribution: £7,369.60, starting fund value: £49,000

Annual statement regarding governance of DC benefits (Cont)

- AVC payers (youngest member): age 36, starting contribution: £1,000, starting fund value: £5,500
- AVC payers (average member): age 53, starting contribution: £8,400, starting fund value: £72,000
- Deferred (youngest member): age 27, starting contribution: nil, starting fund value: £1,000
- Deferred (average member): age 54, starting contribution: nil, starting fund value: £31,000

13. Age-related contribution structure

Tier	Age	Contribution rate
Tier 1	Under 30	10%
Tier 2	30-39	15%
Tier 3	40-49	20%
Tier 4	50 and over	25%

14. Other assumptions

- Defined Benefit Earnings cap: £103,151 (as at 01.04.24)
- The DB Earnings cap is assumed to increase with earnings inflation.

Transaction cost data

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