

# **Chevron UK Pension Plan**

## **Defined Contribution Statement of Investment Principles – January 2026**

### **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 DC sections 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 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 1 January 2026.

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

#### **2.1 Plan Elements and Objectives**

The three DC elements of the Plan are the 2026 DC Section (for employees joining the Plan since 1<sup>st</sup> January 2026 who will save into the Plan on a DC basis only), the DC element of the New Section (for employees joining between 1<sup>st</sup> January 2012 and 30 November 2025 for eligible earnings over the DB earnings Cap and pensionable shift allowances) and Additional Voluntary Contribution (AVC) investments since 1<sup>st</sup> August 2006. These elements provide benefits in addition to the Plan’s defined benefit accrual, where relevant.

The objective of the DC elements 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. Members are expected to make their own investment selection in respect of their AVC investments. While members can choose from the investment options made available in the DC elements, the ultimate authority and responsibility for selecting the range of funds for members to invest in - and reviewing 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.

## 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 DC elements' 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 2.3 below. The default investment option is Fidelity's FutureWise Target Date Fund(s), which have elements invested using both a passively and actively managed approach. The Trustee can choose to offer different default investment options for different DC elements of the Plan if it believes that it is appropriate to do so. 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; and
- 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 where possible, 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.

**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 they 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 at the date of this Statement 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 2026 DC Section and 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 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 choice 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 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 and their investments which cannot be influenced 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 funds with differing characteristics, as described in section 2.2 and 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 the 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 materially 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.

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 DC 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.

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 (LTAF) - 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 elements only invest 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 criterion 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 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:

Dickon Best  
Ross Trustees Services Limited

Date:

## Appendix A

### Current List of Defined Contribution Funds

The current list of funds is provided below.

Asset class	Self-select fund range	Benchmark
<b>Global equities</b>	Aquila Connect Consensus Fund (formally known as the BlackRock Consensus Fund until 3 September 2025)	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
<b>ESG specific equities</b>	LGIM MSCI ACWI Adaptive Capped ESG Index	MSCI ACWI ex-Thermal Coal Adaptive Capped 2x ESG Universal Index
<b>Regional equities</b>	BlackRock UK Equity Fund	FTSE All Share Index
	BlackRock Emerging Markets Fund	MSCI Emerging Market net Index
<b>Bonds</b>	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
<b>Specialist</b>	Fidelity HSBC UCITS Common Contractual Fund Islamic Global Equity Fund	Dow Jones Islamic Titans 100 Gross Index
<b>Cash</b>	BlackRock Cash Fund	SONIA Overnight

## Appendix A (continued)

### Target Date Funds – FutureWise

The following table sets out the Target Date Funds 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 2026 DC Section and New Section members. Fidelity will add further Target Date Funds 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

## **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 Target Date Funds 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 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.

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).